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Japan

Hosokawa: Emperor To Visit U.S. 'This Year'

OW1102222694 Tokyo KYODO in English 2221 GMT 11 Feb 94

[Text] Washington, Feb. 11 KYODO—Japan's Emperor Akihito will pay a visit to the United States this year, Prime Minister Morihiro Hosokawa said Friday [11 February].

Hosokawa told President Bill Clinton of the emperor's intention to make the trip during their summit meeting Friday, Japanese officials said.

Clinton expressed his pleasure at the visit and said the U.S. Government will do everything it can to make the emperor feel welcome, a Japanese spokesman said.

Hosokawa did not say when the Japanese monarch is expected to make the trip, but government sources in Tokyo have said it is likely to be in June.

Empress Michiko is expected to accompany the emperor. It will be the first visit by a Japanese emperor to the U.S. since the late Emperor Hirohito, posthumously called Emperor Showa, went there in September 1975.

Spokesman: Christopher's Visit Still Unconfirmed

OW1502092494 Tokyo KYODO in English 0915 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Japan's Foreign Ministry has not yet confirmed a reported visit to Japan by U.S. Secretary of State Warren Christopher for next month, a ministry spokesman said Tuesday [15 February].

Foreign Ministry Spokesman Terusuke Terada said he is aware of some reports saying Christopher is considering an Asian trip in March, but that the ministry has not yet been informed about the tour by the U.S. Government.

Christopher is reportedly planning to visit several Asian countries, including Indonesia, China, Japan and Vietnam, after a scheduled trip to Australia on March 8 to 9.

Commentary on U.S. Sanctions Issue Reported

Okamatsu on GATT Appeal Option

OW1202002994 Tokyo KYODO in English 0021 GMT 12 Feb 94

[Text] Washington, Feb. 11 KYODO—U.S. officials warned of retaliation against Japan on Friday [11 February] following the collapse of talks on a new bilateral trade framework. The senior officials, speaking shortly after President Bill Clinton and Japanese Prime Minister Morihiro Hosokawa expressed regrets about the collapse of the talks, said Washington may act against Tokyo by July.

Meanwhile, Japan's Vice Trade Minister for International Affairs Sozaburo Okamatsu said at a news briefing that if the U.S. takes unilateral punitive steps, Japan will bring the case to the General Agreement on Tariffs and Trade (GATT). "We're reviewing all our options and will proceed promptly," a senior U.S. official said.

U.S. officials emphasized that the U.S. will act before the Group of Seven (G-7) industrial countries convenes its annual summit meeting in Naples in early July.

The officials, briefing reporters on the Hosokawa-Clinton summit, declined to disclose the specific actions under consideration but said they range from unilateral to multilateral moves.

While refusing to comment on whether U.S. trade sanctions are included in the U.S. options, a senior U.S. administration official said the threat of trade sanctions has been effective in opening foreign markets. He cited examples such as the threat to impose trade sanctions that U.S. officials said resulted in the opening of the Japanese construction market to foreign firms.

The U.S. officials also said Washington will "reassess the viability" of the whole framework trade accord if Japan does not accept the types of "objective criteria" the U.S. has proposed to measure the progress of imports in Japan.

Clinton told reporters after the summit meeting with Hosokawa that indicators the United States has proposed for measuring that the Japanese market is receptive to foreign goods include the level of imports, the state of domestic demand in Japan, exchange rate movements and efforts of U.S. firms to compete in the Japanese market.

Japan has rejected the U.S. call for adoption of "objective criteria" as unacceptable, saying they amount to setting import targets and managed trade.

U.S. administration officials said Washington will not reopen the framework negotiations unless Tokyo changes its position. The U.S. is not prepared to continue the negotiations "under the present circumstances," one senior U.S. official said.

'White House Official' on Decision

OW1402013794 Tokyo KYODO in English 0128 GMT 14 Feb 94—FOR OFFICIAL USE ONLY

[Text] Washington, Feb. 13 KYODO—A senior White House official on Sunday [13 February] denied a newspaper report that the administration of President Bill Clinton has decided to retaliate against Japan with sanctions on some imports. No decision has been made, said the official, who declined to be identified, adding it will take some time to review the unsuccessful conclusion of bilateral framework trade talks.

The administration plans to hold an interagency meeting as early as Monday to discuss what to do following the talks, he said.

He was commenting on a WASHINGTON POST report Saturday. The paper quoted U.S. officials as saying one option would be to announce Tuesday an intention to impose penalty duties on selected Japanese products if it is decided that a 1989 agreement to open the cellular telephone market to the U.S. firm Motorola Inc. has been violated.

Watanabe Anxious About Relations

OW1402105394 Tokyo KYODO in English 1036 GMT 14 Feb 94

[Text] Tokyo, Feb. 14 KYODO—Former Foreign Minister Michio Watanabe said Monday [14 February] the United States will take retaliatory action against Japan for the failure over the weekend to reach agreement on the bilateral trade "framework."

Watanabe, head of one of the major factions in the main opposition Liberal Democratic Party, said, "we cannot make such an easy-going remark that (U.S.-Japan) relations are mature ones between adults."

"The other side will surely take retaliatory action" against Japan, he said.

Watanabe, speaking at a lecture in a Tokyo hotel, said he is opposed to the setting of numerical targets as demanded by the U.S. to gauge the openness of Japanese markets.

He said Washington has been preoccupied with the idea that Japan will not give in to U.S. demands unless threatened.

Watanabe was deputy prime minister and concurrently foreign minister under Prime Minister Kiichi Miyazawa between 1991 and 1993.

On Friday, trade ties between Japan and the U.S. suffered a sharp setback after Prime Minister Morihiro Hosokawa and President Bill Clinton failed to strike a deal on a new "framework" to slash Japan's trade surplus and increase the share of imports in its markets.

Japan has rejected a U.S. demand to set up numerical targets to measure the openness of Japanese markets of three sectors—autos and auto parts, insurance, and government procurement of telecommunication and medical equipment.

Results of Sanctions Discussed

OW1502152594 Tokyo KYODO in English 1509 GMT 15 Feb 94

[Text] Washington, Feb. 15 KYODO—The U.S. Government is poised to cite Japan for breaching a 1989 accord meant to boost imports of U.S. cellular phones, a move that would result in punitive action unless a settlement is reached.

U.S. Trade Representative Mickey Kantor has scheduled a press conference at 2 P.M. Tuesday (4 A.M. Wednesday Japan time) to announce results of a U.S. probe into allegations by major U.S. cellular phone maker Motorola Inc. of unfair competition in the Japanese market. U.S. press reports said Kantor has decided to initiate sanctions.

Japanese Ambassador to Washington Takakazu Kuriyama said he has told the United States that Japan would take the issue to the General Agreement on Tariffs and Trade (GATT) if Washington took punitive action on the matter. The move, which is outside the so-called "framework" trade talks, marks Washington's first trade action against Japan following the collapse on Friday [11 February] of trade negotiations aimed at reducing Japan's global trade surplus.

Washington has complained that sales in Japan of Motorola cellular phones have been markedly smaller than those made by Nippon Telegraph and Telephone Corp.

The U.S. Government may levy higher tariffs on Japanese cellular phone imports in line with the 1974 Omnibus Trade Act. U.S. trade laws also allow the government to impose retaliatory tariffs in fields other than telecommunications, such as on autos and auto parts.

In Tokyo, Chief Cabinet Secretary Masayoshi Takemura warned Washington on Tuesday against "taking unilateral retaliatory action," saying such a move would close the door to dialogue between the two nations.

A senior official at the Japanese Ministry of International Trade and Industry said he believes sanctions by the U.S. would be counterproductive, arguing that would ultimately hurt U.S. manufacturers.

If the U.S. raises tariffs on Japanese auto parts, a move possible under U.S. trade law, it would affect U.S. automakers and even trigger possible layoffs in the U.S. auto industry, he said.

Hosokawa Downplays Concern

OW1502142394 Tokyo KYODO in English 1336 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa downplayed concern Tuesday [15 February] over threatened retaliation by the United States against Japan over what is viewed as its closed mobile phone market. Hosokawa said, "the basic relationship between Japan and the U.S. will not be impaired if trade ties deteriorate a bit."

In the wake of the breakdown of the bilateral "framework" trade talks, U.S. President Bill Clinton said

Monday he is weighing up the possibility of introducing sanctions against Japan, because of its restricted foreign entry in the cellular phone market.

Official: U.S. Likely To Retaliate

OW1502102794 Tokyo KYODO in English 1007 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The United States is likely to announce punitive steps against Japan on Tuesday [15 February] for what it views as the closed nature of Japan's mobile phone market, a senior trade ministry official said.

Washington may put higher tariffs on Japanese imports in line with a telecommunications clause of the trade act, said the official at the Ministry of International Trade and Industry, who declined to be named. But the steps will eventually hurt U.S. manufacturers, the official said, by preventing their access to Japanese products.

The U.S. telecommunications clause allows the government to impose retaliatory tariffs in fields other than telecommunications, such as on autos and auto parts. Higher tariffs on Japanese-made auto components, for example, are more likely to affect the U.S. auto industry, increasing unemployment in the country, he said.

Japan will bring the case to the General Agreement on Tariffs and Trade if the U.S. takes retaliatory steps, said the official.

Washington has complained that sales in Japan of mobile phones developed by Motorola Inc. of the U.S. have been markedly smaller than those made by Nippon Telegraph and Telephone Corp.

Takemura Urges Against Retaliation

OW1502085494 Tokyo KYODO in English 0836 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The United States should refrain from taking retaliatory action against Japan's mobile phone market because Tokyo is willing to seriously tackle the issue, the top government spokesman said Tuesday [15 February].

"We do not have an understanding yet that the U.S. Government officially approved such action," Chief Cabinet Secretary Masayoshi Takemura told a news conference. But "I hope the U.S. side will refrain from taking unilateral action of retaliation."

He said such action would close the door to dialogue between the two nations.

The U.S. is considering taking retaliatory action against Japan's cellular phone market, saying full foreign participation in the market is restricted. The move comes after the breakdown of trade negotiations held under a bilateral framework trade accord concluded last July. Prime Minister Morihiro Hosokawa said Monday Japan will make voluntary efforts to whittle down its trade surplus with the U.S. before the summit of the Group of Seven major economic powers in Naples, Italy, in July.

More Reports on U.S. Summit Results, Reaction

Cooperation Agreement in 15 Fields

OW1202023594 Tokyo KYODO in English 1121 GMT 11 Feb 94

[Text] Washington, Feb. 11 KYODO—Japan and the United States agreed Friday [11 February] to cooperate on global issues in 15 fields, including AIDS and population problems, saving the bilateral framework talks from ending in a complete flunk. The two governments agreed on the global cooperation, one of three pillars in the trade framework negotiations along with macroeconomic and microeconomic areas, at the summit talks between Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

Under the accord, Japan and the U.S. together will offer 12 billion dollars over seven years to tackle issues involving AIDS and population problems. Of the total amount, the U.S. is to disburse 9 billion dollars and Japan will offer 3 billion dollars.

The two countries will also cooperate in developing environmental technologies and developing human resources.

Tokyo and Washington failed to strike a deal on the other areas of the framework talks to slash Japan's huge trade surplus and boost the share of imports in its markets. The two sides remain deadlocked over the definition of "objective criteria" in accessing foreign access to Japanese markets such as autos and auto parts, insurance and government procurement of telecommunications and medical equipment.

Business Leaders Urge Dialogue

OW1202025994 Tokyo KYODO in English 1121 GMT 11 Feb 94

[Text] Washington, Feb. 11 KYODO—Japanese business leaders appealed Saturday [12 February] for continued dialogue between Japan and the U.S. while reacting with calm to the two sides' failure to reach agreement on a new trade framework. The appeal came after Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton failed at their summit in Washington Friday to resolve a dispute over "objective criteria" demanded by the United States to measure progress in reducing Japan's trade surplus.

"They should continue their dialogue from a viewpoint that Japan-U.S. relations are the most important bilateral relationship for both countries," said Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren).

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), described the failure to reach agreement over "objective criteria" unavoidable. "This is because Japan has stuck to its policy of rejecting the U.S. managed trade-like approach. It's unavoidable," Hiraiwa said in a statement.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, concerned about a possible U.S. move to take retaliatory action against Japan, expressed hope that the U.S. will use "good sense" in settling trade issues.

The Japan Automobile Manufacturers Association, meanwhile, praised the Japanese negotiators for refusing the U.S. demand that numerical targets be set to measure progress in the opening of Japan's auto and auto parts markets.

In a statement, it expressed regret that Japan has failed to obtain U.S. understanding of the industry group's position.

It also expressed the hope that the breakdown in the auto trade negotiations will not cause the U.S. to impose trade sanctions and take other unilateral action against Japan. Such action would contravene the General Agreement on Tariffs and Trade (GATT) for liberalizing world trade, the association said.

Tatsuro Toyoda, president of Toyota Motor Corp., also expressed regret over the failure of the talks and promised continued efforts to promote overseas production of Japanese automobiles and expand auto imports.

Kono Regrets Failure of Talks

OW1202083194 Tokyo KYODO in English 0808 GMT 12 Feb 94

[Text] Tokyo, Feb. 12 KYODO—Liberal Democratic Party President Yohei Kono voiced his regret Saturday [12 February] over the failure of Japan and the United States to reach accord on a "framework" agreement to slash Japan's trade surplus and open its markets. In his statement, the leader of the main opposition party blamed the failure on the government of Prime Minister Morihiro Hosokawa, saying the cabinet relied on the bureaucracy to settle the trade talks and abandoned its political responsibility.

Kono, rejecting Hosokawa's tacit criticism against past LDP governments, said it was a denial of cooperative ties between Japan and the United States built up while the LDP was in power.

At a press conference with President Bill Clinton in Washington, Hosokawa said, "in the past, Japan and the U.S. sometimes have reached ambiguous agreements which can gloss over the problems at the time only to find them sources of later misunderstandings between our two countries." Kono said Hosokawa's remark "insults the Japan-U.S. relationship."

But the opposition leader also called it "natural" for Japan to reject the U.S. demand for setting numerical targets to measure the openness of Japanese markets to imports.

Clinton Doubts on Tax Cuts Noted

OW1202095994 Tokyo KYODO in English 0942 GMT 12 Feb 94

[Text] Tokyo, Feb. 12 KYODO—U.S. President Bill Clinton has expressed doubts to Japanese Prime Minister Morihiro Hosokawa over Japan's one-year income and other tax cuts, Japanese Government sources said Saturday [12 February]. Clinton and Hosokawa met for three hours Friday at the White House in a formal summit for discussions focusing on economic issues, including the tax cuts for fiscal 1994 beginning April 1.

The sources told KYODO NEWS SERVICE that Clinton expressed concern that the tax cuts might help boost savings by Japanese, instead of increasing consumer spending as intended. They said Clinton indicated that the one-year tax cuts were not enough.

The 20 percent income and residential tax cuts, totaling 5.47 trillion yen, were included in Japan's latest pump-priming package announced Tuesday, totaling a record 15.25 billion yen.

'Need' To Resume Trade Talks

OW1202104694 Tokyo KYODO in English 0421 GMT 12 Feb 94

[Text] Tokyo, Feb. 12 KYODO—Japan's trade minister Saturday [12 February] stressed the need to resume at an early date Japan- U.S. trade framework negotiations that the two nations' leaders failed to clinch an agreement on in Washington the previous day.

International Trade and Industry Minister Hiroshi Kumagai said at a hurriedly called press conference, "We should not leave the talks alone for a long time, despite the need for both sides to cool down."

"We want to resume (the talks) as soon as possible, keeping an eye on discussions on the U.S. side," Kumagai said.

Kumagai suggested he will start refining Japan's strategies for the bilateral negotiations, in the case that they are resumed, soon after Prime Minister Morihiro Hosokawa and Foreign Minister Tsutomu Hata return to Tokyo.

Asked about possible increased pressure on Japan as a result of the failure at the summit, Kumagai said, "We cannot tell how the U.S. Congress will react. For the time being, we will wait and see the movement of the U.S. administration."

Kumagai said Hosokawa's cabinet will try to keep the U.S. side from enacting tough policies against Japan, including revival of the so-called Super 301 trade retaliation clause imposed against countries considered to practice unfair trade.

"The Japanese side has to convey (to the U.S. Government) our efforts to correct the trade imbalance," Kumagai said.

On the outlook of Japan-U.S. relations, Kumagai said, "We have to make efforts to find a compromise after clarifying differences in opinion, not making conflicts in interest ambiguous as before."

Business Leaders Comment

OW1202133594 Tokyo NHK General Television Network in Japanese 1013 GMT 12 Feb 94

[Text] The business community supports Japan's position of rejecting the U.S. demand for setting numerical targets to the last, but increasingly guards against growing tensions in the Japan-U.S. economic relations.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations of Japan, said: Japan has carried through its stance against the U.S. demand for setting numerical targets which could lead to managed trade. As a result, the Japan-U.S. economic framework talks failed to hammer out an accord and I think that it was inevitable.

Commenting on the future economic relations between Japan and the United States, Takeshi Nagano, president of the Japan Federation of Employers Association, said: I cannot help but say that the Japan-U.S. economic relations have entered a difficult situation. Mr. Nagano also expressed his caution against moves in the United States.

Kosaku Inaba, president of the Japan Chamber of Commerce and Industry, said: the U.S. Congress is moving toward imposing sanctions against Japan. We intend to use international trade rules to ask the U.S. Congress not to invoke sanctions against Japan. It is necessary for both Japan and the United States to make efforts to continue their discussions and build a firm cooperative relationship.

Ruling Parties Comment on Talks

OW1202121494 Tokyo NHK General Television Network in Japanese 1010 GMT 12 Feb 94

[Annuncer-read report; from the "NHK News 7" program]

[Text] Mamoru Makajima, chairman of the Policy Affairs Council of Secretaries of ruling coalition parties, has issued a statement. In the statement, Chairman Nakajima said: During the latest Japan-U.S. summit talks which were held in a friendly atmosphere, leaders of the two countries had a very sober exchange of their views and we would like to highly rate that. They affirmed the need for the two countries to maintain good relations in the future despite their failure to bridge their differences. We think their affirmation indicates that the Japan-U.S. relations are about to enter a new mature stage.

Commenting on the Japan-U.S. economic framework talks, Chairman Nakajima said: It is important for the two nations to have a cooling-off period and the governments of the two countries should discuss without haste ways to find areas of agreement.

The Social Democratic Party of Japan issued a statement in the name of Nobuyuki Sekiyama, chairman of the Policy Board. In the statement, Chairman Sekiyama said: We regret that the Japan-U.S. economic framework talks, which were high on the agenda of the latest Japan-U.S. summit talks, failed to hammer out an accord. Nonetheless, leaders of both Japan and the United States agreed to build a new relationship between the two countries under which the two countries frankly discuss what they can do and cannot do on the basis of their unwavering trust. We would like to highly rate that.

Japanese, U.S. Business Leaders Swap Complaints

OW1502034594 Tokyo KYODO in English 0314 GMT 15 Feb 94

[Text] Washington, Feb. 14 KYODO—Japanese and U.S. business leaders exchanged words of complaint about U.S. access to Japan's markets as they met Monday [14 February] in preparation for a conference slated for this summer in Tokyo.

Japanese participants said U.S. businesspeople taking part in the closed-door session complained about slow progress in opening the Japanese markets for auto parts, insurance and electronics products.

On the other hand, the Japanese insisted that progress has been made in bilateral business cooperation to help U.S. firms do business in Japan, they said.

As for trade in autos, representatives from Japanese and U.S. automakers pointed accusing fingers at each other over why the U.S. share in Japan's auto market is so small.

Delegates from the "Big Three" U.S. Automakers said this is evidence of the closed nature of the Japanese market, but the Japanese pointed to the fact that the European share in Japan's auto market is the same as European makers have in the U.S. market.

Some 30 business leaders from the two countries are attending the two-day meeting, arranged by the Japan-U.S. Economic Council and the U.S.-Japan Economic Council and slated to end on Tuesday.

Hosokawa Orders Cabinet: Cut Trade Surplus

OW1502063794 Tokyo KYODO in English 0627 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa ordered members of his cabinet Tuesday [15 February] to come up with emergency plans to cut Japan's trade surplus with the United States, government officials said.

The order followed the yen's surge on the Tokyo foreign exchange market Tuesday to the 101 yen to 102 yen range against the dollar, stemming in part from the failure of Hosokawa and U.S. President Bill Clinton last week to reach accord on a bilateral trade framework.

Hosokawa issued the order at an informal meeting of cabinet ministers.

Foreign Minister Tsutomu Hata told the meeting that Japan should take the initiative in reducing the surplus, regardless of the progress in the framework talks. Other cabinet ministers supported Hata's view, the officials said.

Poll: Nearly 80 Percent Feel Close to U.S.

OW1302090494 Tokyo KYODO in English 0835 GMT 13 Feb 94

[Text] Tokyo, Feb. 13 KYODO—Nearly eight out of every 10 people in Japan feel a sense of closeness to the United States, the Prime Minister's Office said in a report released Sunday [13 February].

The results of the 1993 survey came just two days after Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton met in Washington but failed to find a breakthrough in stalled "framework" trade talks over a U.S. demand for setting "numerical targets" to assess the openness of Japan's markets.

The survey found 76.3 percent of respondents said they feel emotionally attached to the U.S., up 2.6 percentage points from a similar study two years ago.

The Prime Minister's Office conducted the nationwide survey from last September through October covering 3,000 people aged 20 years or older, of which 2,134 or 71.1 percent responded. The poll has been taken annually since 1977.

An official of the government office attributed the slight rise in the figure to Clinton's pursuit of "change" in his nation and his fresh image, characteristics shared by Hosokawa.

The report also showed 68.6 percent see Japan-U.S. relations as favorable, up 6.1 points.

On the bilateral trade dispute, those believing the recent tough U.S. trade stance against Japan is understandable grew 6.3 points to 36.8 percent.

In contrast, those who believe Washington has been acting emotionally on the trade row with Tokyo amounted to 35.2 percent, down 7.2 points, according to the study.

The latest report said those feeling emotionally attached to Russia dropped 4.2 points to 11.0 percent, while those who do not feel close to Russia increased 5.2 points to 84.8 percent.

The survey also found that people's feelings of closeness to two major neighbors—China and South Korea—remained almost static.

On the other hand, those citing Asia as the region to which Tokyo should most channel its economic assistance leaped 4.9 points to 54.5 percent, according to the report.

The study also revealed that 43.8 percent of the respondents believe Japan, as a member of the region, should promote economic cooperation with Asia-Pacific countries.

Those saying the current level of assistance to developing nations is sufficient, however, inched up 0.5 point to 45.6 percent, while those seeking more active cooperation fell 2.6 points to 32.6 percent. People seeing no need for such aid rose 0.9 point to 12.1 percent.

The official of the Prime Minister's Office said the languishing economy was a major factor for the increasingly tight-fisted sentiment in Japan.

The report found 45.7 percent believe Japan should internationalize itself to fulfill its duty as a major global power, compared with the 44.1 percent posted in the last survey.

In response to a newly introduced question on which area Japan should internationalize itself most, 25.3 percent said the nation needs to pursue a greater political role—through the expansion of its participation in the United Nations and disarmament efforts.

Concerning Japan's role in the international community, 48.4 percent responded their country should contribute to resolving global problems such as environmental conservation.

Some 28.8 percent pointed to the need for personnel contribution and participation in U.N. peacekeeping activities, while 21.0 percent said economic assistance to developing nations is most needed.

Mitsui, U.S. Firm To Introduce Home Shopping

OW1502013594 Tokyo KYODO in English 0057 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Mitsui and Co. said Tuesday [15 February] it has teamed up with National Media Corp. of the United States to introduce television-based home shopping in Japan.

The major Japanese trading house and the Philadelphia-based firm will jointly air televised home-shopping programming at key stations in Tokyo on a trial basis as early as this spring, Mitsui said.

They plan to set up a joint venture if continuation of the project is feasible. A feasibility study will be conducted by National Media's European unit, Quantum International.

National Media is one of the largest U.S. informercial firms, supplying televised shopping programming and commercials to about 30 countries through Quantum.

Mitsui will help Quantum acquire air time on terrestrial, cable and other channels and tailor its products to the Japanese market.

Mitsui and National Media plan to expand their joint operations to the Asia-Pacific region.

Japanese Urged To Evacuate Serbia, Montenegro

OW1502112794 Tokyo KYODO in English 1051 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The Japanese Government Tuesday [15 February] issued a statement urging more than 60 Japanese nationals residing in Serbia and Montenegro to evacuate in the wake of a possible air strike by NATO against Bosnian Serbs, Foreign Ministry officials said. The government issued the warning because of mounting tensions in the region following the North Atlantic Treaty Organization's decision last week to allow air strikes, the officials said.

According to the officials, there were 66 Japanese in Serbia as of December 1 last year. While there were no Japanese listed as residing in Montenegro, the area was included due to increased tensions there.

Those residing in Serbia include government officials, company officials and members of the press as well as their families, they said.

NATO warned the Serbs last week that its warplanes could bomb their heavy weapons supplies positioned around the besieged Bosnian capital of Sarajevo unless the weapons are withdrawn or put under U.N. command by February 21.

Halting of Remittances to DPRK 'Difficult'

OW1302072694 Tokyo KYODO in English 0630 GMT 13 Feb 94

[Text] Tokyo, Feb. 13 KYODO—It will be difficult for Japan to order a halt to remittances to North Korea from pro-Pyongyang Korean residents in Japan, Chief Cabinet Secretary Masayoshi Takemura said Sunday [13 February]. Takemura made the remark on a TV Asahi debate program, referring to Prime Minister Morihiro Hosokawa's comments on the issue in Washington in connection with possible sanctions against Pyongyang for refusing to accept international inspections of its nuclear facilities.

In a press conference in Washington on Saturday, after a breakfast meeting with U.S. President Bill Clinton, Hosokawa expressed reservations in ordering a halt to the remittances, saying "I have not obtained a precise figure to show how much has been remitted from Japan."

"The government has to decide on its actions by taking into consideration the issue of human rights (of Korean residents)," Hosokawa said.

Takemura said, "the actual situation of remittances of Korean residents in Japan is not clear and thus (we) do not know what kind of steps are there (to halt them)."

"Hosokawa would have expressed the difficulty (in doing so) because (the matter) involves human right problems and money moves around the world," the chief government spokesman said.

Talks between North Korea and the International Atomic Energy Agency (IAEA), the Vienna-based nuclear watchdog, have been deadlocked because of Pyongyang's resistance to IAEA inspections of facilities suspected of developing nuclear weapons.

Tokyo Donates Aid for Colombia Flooding Victims

OW1002130794 Tokyo KYODO in English 1236 GMT 10 Feb 94

[Text] Tokyo, Feb. 10 KYODO—Japan will donate 8.9 million yen worth of relief assistance to Colombia to help it cope with the aftermath of mudslides and floods following heavy rains late last month, Foreign Ministry officials said Thursday [10 February].

The officials said the nation will donate blankets, sleeping mats and portable kerosene stoves for victims of the disaster, in which up to two dozen people died, many more went missing and thousands were left homeless.

Three days of heavy rains in the country's central Andean region caused the Fraile River to burst through its banks, sending forth a giant wave of mud and rocks that swept away hundreds of homes in such towns as Florida, Pradera and Tulua.

Supporters, Opponents Mark Foundation Day

OW1102132794 Tokyo KYODO in English 1253 GMT 11 Feb 94

[Text] Tokyo, Feb. 11 KYODO—Supporters and opponents of national foundation day marked the national holiday Friday [11 February] with separate rallies feting national greatness or denouncing the country's inglorious military past.

Some 1,000 people including Chief Cabinet Secretary Masayoshi Takemura attended a government-sponsored ceremony at the National Education Center in Tokyo's Chiyoda ward.

Takemura read out a congratulatory message from Prime Minister Morihiro Hosokawa, who is currently in Washington for talks with U.S. President Bill Clinton.

"To gain more trust from the international community, we have to go the limits to fulfill our responsibilities," the message said.

Also present at the ceremony were House of Councillors President Bumpei Hara and House of Representatives Vice Speaker Hyosuke Kujiraoka.

However, lower house Speaker Takako Doi, who has been criticizing the February 11 national holiday as an attempt to revive the Meiji- era empire day, celebrated until the end of World War II, missed the ceremonies due to other commitments.

A rally organized by the Social Democratic Party and citizens backing the country's pacifist Constitution criticized that Japan almost 50 years after the war has not "correctly" recognized its war responsibilities nor paid compensation to victims of Japanese occupation.

None of the six SDP cabinet members nor SDP Chairman Tomiichi Murayama was present at the meeting.

Some 450 people demonstrated in Shinjuku ward against the emperor and empress's use of a Self-Defense Forces aircraft to visit the Ogasawara islands from Saturday to pay respect to the souls of fallen Imperial Japanese Army troops.

Dollar's 'Plunge', Intervention Reported

OW1502011394 Tokyo KYODO in English 0044 GMT 15 Feb 94

[Excerpts] Tokyo, Feb. 15 KYODO—The U.S. dollar opened at 102.32 yen in Tokyo on Tuesday [15 February], for its first fall below 103 yen in Tokyo since last August. [passage omitted on exchange rates] Some dealers reported the Bank of Japan was selling the yen to shore up the falling dollar.

The dollar's plunge follows the overnight trend in New York, where the U.S. currency plummeted to 101.10 yen at one point, nearing the record low in New York of 100.85 yen set on August 17.

Dealers said market participants are betting on the yen rising further as the U.S. Government is likely to seek a stronger yen as a means of redressing the chronic trade imbalance between Japan and the United States.

Expectations of a stronger yen emerged after Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton failed to resolve a trade row at their weekend summit in Washington.

Dealers said comments by Laura Tyson, chairwoman of the U.S. Council of Economic Advisers, also helped spark the dollar-selling.

Hosokawa Expresses 'Serious Concern' About Yen

OW1502040094 Tokyo KYODO in English 0344 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa said Tuesday [15 February] he has a "serious concern" about the yen's advance against the U.S. dollar. Hosokawa was asked by reporters at his official residence for comment on exchange rates as the dollar fell below 103 yen in Tokyo Tuesday morning for the first time since last August.

Asked how the government plans to cope with the yen's rise, Hosokawa said he will make every effort to weather the adverse effects of the stronger yen on the economy.

The premier was asked whether he believes the yen's rise is the result of his failure to reach agreement with U.S. President Bill Clinton last week in Washington on a new framework for bilateral trade. "I believe it's not a question like that," Hosokawa said when asked whether he believes the yen's surge is a high price for saying "no" to Clinton over U.S. demands for numerical trade targets.

In a related development, a government source said the yen's surge is a concern and expressed hope that the dollar will stay at around 115 yen.

"I believe it (the stronger yen) will probably trouble the United States too. I believe they don't think it's OK to leave the situation as it is because it will lead to an erosion of confidence in the dollar," the source said.

Hata: Exchange Markets To Return to 'Normal'

OW1502041994 Tokyo KYODO in English 0406 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Foreign Minister Tsutomu Hata predicted Tuesday [15 February] that foreign exchange markets, where the yen has been surging against the U.S. dollar, will naturally return to normal.

Hata told a press conference he thinks the currency markets will naturally return to normal as Japanese monetary authorities make close contacts with their counterparts in other countries. He said such a rapid surge in the yen against the dollar will greatly affect the lives of people in the United States.

Hata also criticized some comments by U.S. officials approving a higher yen against the dollar, saying those who have posts which could exert great influence on markets should be cautious in making comments.

Fujii: Rapid Yen Appreciation 'Undesirable'

OW1502043394 Tokyo KYODO in English 0421 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Finance Minister Hirohisa Fujii on Tuesday [15 February] termed the yen's recent rapid appreciation against the U.S. dollar undesirable for both the Japanese and global economy.

Japan will take suitable steps at the appropriate time, Fujii told a press conference after the day's cabinet meeting. But he denied that Tokyo has contacted other members of the Group of Seven leading nations to discuss the matter.

Fujii said the yen's sharp upswing reflects "speculative movements" by currency dealers. Any currency's exchange rate should mirror the country's economic fundamentals, he added.

The yen began soaring against the U.S. currency after the collapse of the Japan-U.S. trade framework talks last Friday between Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton. It surged by 2.56 yen against the dollar in Tokyo on Monday and by a further 2.84 yen to finish Tuesday morning in Tokyo at 102.85 yen to the dollar.

Fujii said the government's latest 15.25 trillion yen stimulus package could not produce desired effects unless the yen-dollar rate stayed at levels reflecting each country's economic fundamentals.

The G-7 countries had agreed during their gathering last September that rapid exchange rate fluctuations are not desirable for the global economy, he said.

Fujii said he had heard nothing about possible U.S. sanctions against Japan in the field of autos and portable telephones.

Tokyo should do its utmost to dispel U.S. "misunderstanding" about Japan's trade stance, he said.

The finance minister confirmed a newspaper report that he received 10 million yen in political donations from a salt industry group last August. But he said a receipt was made following due accounting procedures.

'Appropriate Measures' Needed To Stabilize Yen

OW1502052194 Tokyo KYODO in English 0457 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Action should be taken to regain stability on the turbulent currency market, Chief Cabinet Secretary Masayoshi Takemura said Tuesday [15 February].

The top government spokesman told a news conference, "Sharp or unstable movements resulting from speculative transactions are not desirable." He said there is a need to make the yen's movements against the dollar stable through appropriate measures.

In Tokyo on Tuesday, the dollar fell momentarily below 102 yen for the first time since last August, and ended the morning session at 102.85 yen, down 2.84 yen from Monday's close.

The dollar has been under strong downward pressure against the yen since Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton failed last Friday to reach an accord on a new framework to slash Japan's bilateral trade surplus and boost the share of imports in its markets.

Mori Criticizes Hosokawa Over Yen's Rise

OW1502072094 Tokyo KYODO in English 0658 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—A senior leader of the main opposition Liberal Democratic Party (LDP) on Tuesday [15 February] slammed Prime Minister Morihiro Hosokawa for not holding talks with the United States on the yen's surge against the U.S. dollar.

"I cannot believe the premier and the foreign minister have not strongly conveyed Japan's stance on the yen's appreciation," LDP Secretary General Yoshiro Mori told a news conference. "If Japan-U.S. relations are really mature, they should have talked about how to deal with the yen's surge" with the U.S. side when they visited Washington last week, Mori added.

The U.S. currency dropped sharply against the yen in Tokyo on Tuesday, closing at 102.02 yen, down 3.67 yen from Monday's close.

The dollar has been under intense downward pressure against the yen since Hosokawa and U.S. President Bill Clinton failed last Friday to strike a deal on a new framework to reduce Japan's huge trade surplus and increase the share of imports in its markets.

Hosokawa To Watch Yen's Moves 'Carefully'

OW1502133394 Tokyo KYODO in English 1232 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa said Tuesday night [15 February] he will carefully watch developments in the foreign exchange market before taking any measures concerning the rocketing yen.

Hosokawa said he has not yet directed the taking of concrete steps to arrest the yen, which closed at 102.02 yen to the dollar in Tokyo the same day, up 3.67 yen from Monday's close.

"It seems the yen is being bought on speculation. I want to deal with the problem after carefully watching further developments," he told reporters at his official residence.

Trade Minister: Yen's Current Level 'Untenable'

OW1502063394 Tokyo KYODO in English 0614 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The yen's current strength against the U.S. dollar will not last long, Japan's trade minister Hiroshi Kumagai said Tuesday [15 February].

The dollar fell Tuesday morning in Tokyo to a momentary low of 101.90 yen, finishing the morning at 102.85 yen, down 2.84 yen from Monday's close.

The International Trade and Industry minister told reporters that the current level is untenable since it does not reflect Japan's economic fundamentals.

A level of 100 yen to the dollar would be a major psychological barrier, he said.

Kumagai said, however, that speculative moves in the market to take advantage of the yen's surge could put Japan in serious trouble, adding Japan's monetary authorities should try to prevent such moves.

Ministry Adds 3.5 Billion Yen to ODA, Defense

OW1202161494 Tokyo KYODO in English 1430 GMT 12 Feb 94

[Text] Tokyo, Feb. 12 KYODO—The Finance Ministry on Saturday [12 February] revived appropriations of some 2.8 billion yen for the draft foreign aid budget for fiscal 1994, while tacking some 700 million yen onto the defense budget, ministry official said.

The agreements came amid annual bargaining between the ministry's budget drafters, the Defense Agency and the Foreign Ministry prior to government approval of the fiscal 1994 state budget, slated to come during a cabinet meeting Tuesday.

On Thursday, the ministry proposed fiscal 1994 Official Development Assistance (ODA) spending of 1.05 trillion yen, up by a record low 4.0 percent over the initial fiscal 1993 ODA budget.

The agreed-upon budgetary revival calls for adding 1.09 billion yen for Japan's refugee assistance program and an additional 1.7 billion yen for grants to poor countries.

The agreements also authorize the Defense Agency to spend an additional 273 million yen to finance a noise abatement program to ease the troubles of residents in areas surrounding U.S. or Japanese military bases, the officials said.

The ministry earlier proposed a defense budget of 4.68 trillion yen, up 0.8 percent over the initial fiscal 1993 budget.

It was the first time in 34 years that the growth of Japan's defense budget failed to rise above the 1-percent mark, the officials said. In fiscal 1960, Japan's defense budget eked out a tiny 0.6 percent rise.

The ministry also approved additional spending of 424 million yen to finance a personnel training and recruitment program for the self-defense forces, they said.

The budget drafters have been in negotiations with officials from other ministries and agencies since Friday after the ministry Thursday proposed a 73.08 trillion yen draft budget for the next fiscal year that will start on April 1.

The draft budget projects a mere 1.0 percent growth but virtually shrinks from the initial fiscal 1993 budget.

In Saturday's negotiations, the Finance Ministry also approved the restoration of a 140 million yen budget request made by the environment agency for improving environmental information systems.

Among other restorations of budget requests, the ministry approved the Health and Welfare Ministry's request for a 1,150 million yen budget for improving the infrastructure for the handicapped and the elderly.

Economic Planning Agency Chief Welcomes Budget

OW1402075694 Tokyo KYODO in English 0646 GMT 14 Feb 94

[Text] Tokyo, Feb. 14 KYODO—Japan's chief economic planner Monday [14 February] welcomed the government's budget for fiscal 1994, starting April 1, as placing emphasis on outlays to shore up the flagging economy.

The economy remains broadly sluggish and is expected to continue to face rough going for a while, said Manae Kubota, director general of the Economic Planning Agency (EPA). She was speaking at a press meeting after negotiating on revisions to the budget, due out Tuesday, with Finance Minister Hirohisa Fujii.

Kubota said her agency has requested the government to focus on the economy, and stressed, "we cannot move freely unless the economy recovers."

In this sense, she pinned hopes on the government's budget along with the 15.25 trillion yen stimulus package launched last week.

Despite tight revenues, the Finance Ministry maintained growth at the 4 percent level in public works spending in its budget draft announced Thursday.

The government is to decide on a budget package at a cabinet meeting Tuesday after ministers negotiate separately throughout Monday with Fujii in a final bid to revive items that the Finance Ministry cut.

Funds for Sakhalin Koreans Earmarked in Budget

OW1402134594 Tokyo KYODO in English 1310 GMT 14 Feb 94

[Text] Tokyo, Feb. 14 KYODO—Japan's fiscal 1994 budget will incorporate 140.52 million yen for projects linked to the repatriation of ethnic Koreans who were left on Sakhalin after Japan's defeat in World War II, officials said Monday [14 February].

The amount represents an increase of some 15.15 million yen over fiscal 1993, the officials said.

At a cabinet meeting Tuesday, the government of Prime Minister Morihiro Hosokawa is scheduled to adopt the 73.08 trillion yen budget for fiscal 1994 which starts April 1 and lasts through March 31, 1995.

The increase results mainly from 20.52 million yen earmarked for surveys about the number of Sakhalin Koreans willing to return to South Korea and prospective places of resettlement. The amount provided for "survey costs" is four times higher than in fiscal 1993.

In contrast, funds for temporary visits to South Korea will remain at 120 million yen as in fiscal 1993.

An estimated 30,000 to 40,000 Koreans were left on Sakhalin island, the southern half of which was Japanese territory until the end of World War II.

In a joint survey with South Korea several thousand Sakhalin Koreans, mainly from the first generation, expressed hopes to return to South Korea.

Construction Minister Kozo Igarashi, who is also secretary general of a legislators' group for Sakhalin Koreans, welcomed the government decision.

"The Hosokawa cabinet has been active in revising views on (unresolved) postwar issues but has not come much further than offering apologies. Such concrete results are rare," he said.

The Diet is expected to begin debate on the fiscal 1994 budget in early March.

Japan, which ruled the whole Korean peninsula between 1910 and 1945, took the Koreans to Sakhalin before the war as hard labor workers, mostly in mines, but left them behind when the island came under Soviet rule.

Repatriation talks have gained speed recently as Seoul, Tokyo and Moscow agreed to deal with the issue in trilateral negotiations.

During most of the Soviet era, the Sakhalin Koreans were not allowed to contact relatives in South Korea because Moscow only recognized North Korea.

Cabinet Approves 4.68-Trillion-Yen Defense Budget

OW1502044394 Tokyo KYODO in English 0405 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The cabinet approved on Tuesday [15 February] a fiscal 1994 defense budget proposal of 4,683.5 billion yen, up 0.9 percent over the initial fiscal 1993 budget and the smallest rate of increase in 34 years.

In line with Japan's 1990-1995 defense buildup plan, the budget proposal sets aside 882 billion yen to acquire front-line weapons, including four F-15 jet fighters and two Boeing E-767 AWACS reconnaissance planes, officials said.

The purchases will double the number of AWACS planes, which could be used to detect a possible firing of North Korean missiles or an intrusion by Russian jet bombers or missiles into Japanese airspace, the officials said.

In view of "still unstable security factors surrounding Japan," the government sanctioned a Defense Agency request to purchase new radar for its Patriot antimissile system and sophisticated computer software to enhance the intercepting capability of Japan's armory of 320 Patriot missiles, an official said.

Under the current five-year defense buildup plan, officials said, Japan is trying to expand the Patriot armory from 16 to 26 firing units—or a total of 520 Patriots to be fired from 130 mobile launching vehicles.

The fresh Patriot radar and firing control system will cost 33.5 billion yen, while a set of Patriot parts and computer software will cost 8.7 billion yen, they said.

The software will raise the capability of eight of Japan's Patriot units to the level of the PAC-2 Patriot missiles—the same models used by U.S. troops during the 1991 Gulf war to knock out Iraqi SCUD missiles, they said.

One firing unit comprises five mobile launching vehicles, a phased array antenna, 20 missiles and another radar vehicle.

But unless Japan acquired the Theater Missile Defense (TMD) system—an improved version of the PAC-2 Patriot—it would not be able to shoot down North Korean Nodong-1 missiles, which are reportedly capable of delivering nuclear warheads, they said.

North Korea is now under international pressure to allow inspections of suspected nuclear weapons plants in Yongbyon, some 90 kilometers north of Pyongyang.

Yoshiaki Hotsuki, special assistant for the defense buildup program of the agency's defense policy bureau, told reporters, "the PAC-2 Patriot system cannot repel the Nodong missile, so we are watching how far the United States has developed the TMD system."

The Defense Agency had originally pushed for purchases of the AWACS and Patriots to counter the threat of Russian jet bombers and missiles, whose longer ranges are seen placing a greater limit on Japan's intercepting time and capability, the officials said.

Now the agency says the North Korean missiles have given it another headache. The 1993 defense white paper warned, "the Nodong missile will be able to reach most parts of Japanese territory if Pyongyang deploys it to specific areas on its soil."

The fiscal 1994 defense budget accounts for 0.948 percent of Japan's estimated gross national product (GNP) for fiscal 1994.

Meanwhile, the budget boosts its allocations toward the costs of U.S. Forces in Japan by 8 percent to 432.4 billion yen.

Of this sum, 123.4 billion yen is to pay 75 percent of the labor costs of some 22,000 Japanese employees at U.S. bases in Japan, utilities and other costs.

ODA Funds Grow 4.8 Percent in FY '94 Budget

OW1502061694 Tokyo KYODO in English 0529 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The government on Tuesday [15 February] proposed to spend 1,063 billion yen for Official Development Assistance (ODA) in fiscal 1994, a record low increase of 4.8 percent over the current fiscal year's initial budget.

The ODA or foreign aid budget, included in the government's draft proposal for the overall general account budget for fiscal 1994, which starts April 1, was approved by the cabinet earlier in the day for submission to the Diet.

Finance Ministry officials said that despite the record low rise in yen terms, the Japanese currency's 13 percent appreciation against the dollar over the past year will mean a significantly higher ODA outlay in terms of the U.S. currency.

They estimated the dollar-denominated increase at 6.3 percent or more, depending on the manner of calculation. In fiscal 1993, the ODA budget posted a 6.5 percent increase, continuing a downward trend that began in 1990.

Officials said the proposed budget should provide sufficient momentum toward achieving Japan's fifth medium-term target of disbursing 70 billion to 75 billion dollars in ODA to the developing world between 1993 and 1997.

It is also expected that under the plan Japan will remain the world's largest ODA supplier, they said.

Officials said the proposed ODA outlay, which was allowed the highest increase rate among major expenditure categories in the overall budget, shows the government's resolve to strengthen Japan's international contributions despite severe fiscal constraints at home.

The various government ministries and agencies engaged in extension of foreign aid had initially asked the Finance Ministry to approve an 8.3 percent budgetary increase to 1.098 trillion yen.

A top priority in the fiscal 1994 ODA budget is support for human resource development in developing countries, officials said.

They said that explains the relatively high 6.7 percent boost to 311.7 billion yen in funding for technical assistance programs implemented by the Japan International Cooperation Agency and other organizations.

The budget proposal earmarked an additional 207.9 billion yen for bilateral grant assistance, which amounts to a more modest 3.2 percent increase over the figure in the current budget.

But officials pointed out that the bilateral grant figure includes a number of major hikes, such as 5.3 billion yen for relief assistance to disaster victims and refugees, up 37.5 percent, and 1.5 billion yen in support for small-scale grant projects conducted largely by nongovernmental organizations, up 50 percent.

According to the draft, cash contributions and donations to international organizations are to be increased by only 3.5 percent in yen terms, but by a whopping 19 percent in dollar terms.

Officials said the beneficiaries will be organizations tackling such global issues as the environment, population and aids, as well as human rights protection and refugee relief.

For example, Japan's contribution to the United Nations High Commissioner for Refugees (UNHCR), which is headed by Japanese national Sadako Ogata, is set to rise by 20.5 percent to 100 million dollars in the draft.

Another example is a 59.3 percent increase to 36 million dollars in Japan's contribution to a fund set up in the United Nations for protection of the environment.

Foreign Minister Tsutomu Hata welcomed the budget, saying the fresh emphasis on such issues as the environment, aids and the status of women lends a needed "human touch" to Japan's ODA program.

Hata said it also reflects the transfer of power to the present coalition government. He credited coalition members with strongly promoting new allocations or vast increases in funding for the various "new tasks faced by international society."

The most massive increase posted in the budget was a 500 percent increase to 15 million dollars in support for

Palestinian development projects. It was also proposed to boost relief aid for refugees in the Middle East by 66.7 percent to 20 million dollars.

The government's draft budget suggested that low-interest loans, a key component of Japan's ODA program, be increased 4.7 percent to 368.3 billion yen.

Officials pointed out that the general account budget for ODA is only one indicator of the scale of Japan's overseas assistance program.

The ODA operating budget, which is normally used for that purpose, combines funds from the general account budget with funds from such sources as special account budgets of individual ministries and borrowings from the government's fiscal investment and loan program.

Business Leaders Favorable to Budget Plan

OW1502103594 Tokyo KYODO in English 1005 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Business leaders reacted favorably Tuesday [15 February] to the 73.08 trillion yen national budget plan for fiscal 1994, saying it provides adequate stimulus for boosting the nation's ailing economy.

Gaishi Hiraiwa, chairman of the influential Federation of Economic Organizations (Keidanren), said, "overall, the budget plan attaches importance to the need to stimulate the economy and improve social infrastructure."

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said the budget is well balanced. "Although austere in general, it allows for more than 4.0 percent growth in expenses for public works projects," he said.

Inaba said, however, that the outlay for public works should have been weighted toward projects that improve citizens' livelihood.

"The administration of Prime Minister Morihiro Hosokawa should have exercized more political leadership if it wanted to achieve the reforms it has pledged," he said.

Inaba called for early implementation of the budget, and said the government should also be prepared to respond to any volatile movement of the yen on foreign exchange markets or a slide in stock prices.

Hiraiwa also stressed that it is important for the government to introduce appropriate measures in a timely fashion.

He expressed concern that the sharp appreciation of the yen against the U.S. dollar in recent days may weaken the intended effects of the third supplementary budget for fiscal 1993 and the budget for fiscal 1994.

Details of 73.08 Trillion Yen Budget Noted

OW1502025794 Tokyo KYODO in English 0246 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The government launched a fiscal 1994 national budget Tuesday [15 February] featuring austere overall spending for the second straight year but tax cuts and relatively ample outlays to prop up the flagging economy. The budget plan, endorsed at a cabinet meeting for submission to the Diet in early March, earmarked 73,081.7 billion yen for the year beginning April 1, up a scant 1 percent from the current year's initial budget.

This is higher than a 0.2 percent growth in the initial 1993 budget, stemming largely from special accounting techniques such as advanced repayment of loans extended to local governments to boost the budget by some 4,520 billion yen. Without these measures, the overall program could have posted a contraction of some 5 percent, Finance Ministry officials said.

More clearly showing the constraints imposed by sluggish tax revenues amid the prolonged economic slump, general operating expenditures, the core of the budget, are limited to 40,854.8 billion yen, up 2.3 percent or the lowest rise since fiscal 1988. But in a bid to shore up the economy, the government maintains a growth rate in public works spending of 4 percent for the third straight year, with a figure of 8,984.6 billion yen, up 4.0 percent, and includes cuts in income tax and other taxes worth 4,377.0 billion yen.

As a result, the government is to issue deficit-covering bonds for the first time in five years to raise 3,133.8 billion yen.

Among other core outlays, the plan earmarks 4,683.5 billion yen for defense spending, an increase of 0.9 percent which is the lowest in 34 years, and 1,063.4 billion yen for Official Development Assistance (ODA), up 4.8 percent to mark a record low.

Outside the general operating expenditures, debt-service costs will shrink 7.0 percent to 14,360.2 billion yen, and tax grants to local governments will contract 18.3 percent to 12,757.8 billion yen.

The plan also calls for repayment of 1,544.8 billion yen in funds borrowed from the national debt consolidation fund to cover revenue shortfalls in fiscal 1992.

On the revenue side, the government estimates tax revenues will amount to 53,665.0 billion yen, down 12.5 percent, and nontax revenues 5,601.1 billion yen, up 104.8 percent, and that it will get 172.5 billion yen, down 7.5 percent, in proceeds from the sale of shares in the privatized Nippon Telegraph and Telephone Corp.

New bond issuances are to rise 67.8 percent to a record 13,643.0 billion yen, including 10,509.2 billion yen in construction bonds, used primarily for public works, and deficit-financing bonds.

As a result, the debt dependency rate will rise to 18.7 percent from this year's 11.2 percent, and the outstanding balance of bonds will top 200 trillion yen for the first time to reach some 201 trillion yen, up from 182 trillion yen.

Investment Program Boosted To Spur Economy

OW1502031394 Tokyo KYODO in English 0256 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The government on Tuesday [15 February] adopted a fiscal investment and loan program for fiscal 1994 that gives higher priority to resuscitating the ailing economy and upgrading living standards. Ordinary "zaito" investment programs mainly to finance public works, housing projects and lending by government-affiliated financial organs were allocated 39,408.2 billion yen for the year beginning April 1, up 7.7 percent from the initial fiscal 1993 zaito budget.

The Finance Ministry eventually agreed to add 260.3 billion yen to its draft ordinary zaito program worth 39,147.9 billion yen in negotiations with other government ministries and agencies on restoring cuts in their initial requests.

The upward revision focused on a record 630,000 home purchases covered by lending by the government-affiliated Housing Loan Corp. This compared with 550,000 homes in the initial fiscal 1993 budget and 560,000 in the fiscal 1994 draft budget.

In order to improve living standards in line with Prime Minister Morihiro Hosokawa's policy goal, the government secured a sharp 25.0 percent rise to 10,386.5 billion yen in housing-related projects. It earmarked 5,994.5 billion yen for lending and other programs for struggling small companies, up 10.4 percent.

Outlays of 7,949.4 billion yen, up 12.2 percent, went to local public organizations and local public financial institutions to improve infrastructure related to living standards in regional areas.

Next year's zaito, often called the second national budget, was endorsed by a cabinet meeting Tuesday morning, and is expected to be submitted to the Diet in early March, together with the general-account budget. Overall zaito investment, or the sum including programs managed by the Finance Ministry's trust fund bureau, total 47,858.2 billion yen, up 4.6 percent.

The 7.7 percent growth in ordinary zaito investment compares with a 13.4 percent gain in fiscal 1993 and a 10.8 percent rise in fiscal 1992. But including fiscal investment newly approved under the economy-boosting third supplementary budget for the current year, ending March 31, ordinary zaito programs will total 40,403.1 billion yen for a marked growth of 10.4 percent.

The extra zaito program for this year should be combined with next year's program as a way to ensure continued implementation for 15 months from January 1994, an official at the Finance Ministry's budget bureau said.

The zaito program is intended to stimulate the economy for the fourth consecutive year, the official said. Of the parts of the program related to housing, the government budgeted a sharp 29.8 percent increase to 8,963.2 billion yen for the Housing Loan Corp., compared with a 6.6 percent gain in the current year.

Housing investment for fiscal 1994 represents a record 33.51 percent of the total ordinary zaito program, compared with the previous record rate of 32.6 percent in fiscal 1991.

Programs to assist financially squeezed small companies include a 10.6 percent gain to 3 trillion yen for the People's Finance Corp. and a 12.5 percent rise to 2,487 billion yen for the Japan Finance Corp. for Small Business.

A 15.6 percent growth to 156.0 billion yen was allocated for lending by the Japan Development Bank for manufacturers striving to create new businesses under restructuring efforts.

The Development Bank's lending quota was set at 620 billion yen for urban infrastructure improvement projects, up 9.9 percent, and 277 billion yen for information and telecommunications infrastructure, up 20.4 percent.

The government earmarked outlays of 6.5 trillion yen for a growth of 14.0 percent in order to improve sewerage systems, waste disposal and health facilities.

Fiscal investment and loan programs for housing, health, culture, education and other matters designed to improve overall living standards account for a record 73.16 percent of the total ordinary zaito program, up from the current year's 68.8 percent and the previous high of 71.4 percent in fiscal 1991.

The zaito program contains 2 trillion yen in stock investment under new "shiteitan" accounts, a portfolio with no investment limits on stocks, down from 2.8 trillion yen. New shiteitan were created in 1992 as a means to bolster the stagnant stock market.

Hosokawa on Elections, Fiscal Shortfall, Parties

OW1202132694 Tokyo NHK General Television Network in Japanese 1023 GMT 12 Feb 94

[Announcer-read report; from the "NHK News 7" program]

[Text] Prime Minister Hosokawa met with a group of Japanese reporters who are accompanying him on his visit to Washington. During the meeting, the prime minister said he intends to set up a consultative body of the ruling coalition parties as soon as possible to discuss the issue of securing financial resources to make up for a fiscal shortfall arising from tax cuts. He also indicated that he hopes the consultative body will draw a conclusion on the issue before an extraordinary Diet session is convened in autumn.

As for the future realignment of political parties, the prime minister said: I think that the realignment of political parties will progress in parallel with progress in the demarcation of the single-seat constituency. I think that there will be some moves toward the realignment of political parties before the current ordinary Diet session ends. My frank feeling is that if the ruling coalition parties fail to hold themselves together, they would be unable to fight in elections.

With regard to the timing for the dissolution of the House of Representative and general elections, the prime minister said: I am not thinking of holding the general elections. Asked by one of the reporters about the relationship between the enactment of a bill on the demarcation of single-seat constituency and the dissolution of the House of Representatives, the prime minister said: There will be three months of notice. I will have to think of dissolving the lower house based on that. It will be a question of political timing for the dissolution of the House of Representative after the passage of three months.

On the cabinet reshuffle, the prime minister said he is not considering it.

Hosokawa 'Sounded Out' SDPJ on Reshuffle

OW1502025194 Tokyo KYODO in English 0241 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa on Tuesday [15 February] admitted that he sounded out the Social Democratic Party (SDP) on a cabinet reshuffle. But earlier in the day, Hosokawa told reporters that he is neutral on whether he should reshuffle his six-month-old cabinet within Tuesday.

Hosokawa said Monday he was considering an early cabinet reshuffle, which many political sources said may affect Chief Cabinet Secretary Masayoshi Takemura.

Wataru Kubo, secretary general of the SDP, the largest bloc in the seven-party coalition, on Monday denied there would be an early reshuffle.

Speculation surfaced Monday that Hosokawa might make changes in his cabinet after Tuesday's adoption by the government of a 73.08 trillion yen budget for fiscal 1994, starting April 1.

The SANKEI SHIMBUN newspaper, quoting sources close to Hosokawa, reported earlier Monday that Hosokawa is resolved to reshape the cabinet as early as Tuesday.

'To Contemplate' Reshuffle

OW1502062394 Tokyo KYODO in English 0610 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa expressed his desire Tuesday [15 February] to reshuffle his six-month-old cabinet, a move which is likely to escalate a power struggle among the ruling parties. "I would like to contemplate the decision (on a cabinet reshuffle) from a comprehensive point of view," Hosokawa said at a ministerial meeting.

Speculation has been surfacing that Hosokawa might make changes to his cabinet following Tuesday's approval by the government of a 73.08 trillion yen budget for fiscal 1994 which begins April 1. Shinseito co-leader Ichiro Ozawa, a key strategist in the coalition government, also supported Hosokawa's policy, saying, "It is the premier's exclusive right (to reshuffle the cabinet), so I will follow his judgment entirely."

There have been increasing rumors that, if a new cabinet is formed, Hosokawa will replace Chief Cabinet Secretary Masayoshi Takemura, head of Sakigake, and six other cabinet ministers of the Social Democratic Party (SDP).

Takemura, along with the six SDP ministers, expressed dissatisfaction earlier this month with Hosokawa's handling of the consumption tax issue as a quick solution to offset tax shortfalls created by income tax breaks.

Asked about the possibility of a cabinet reshuffle, Takemura told a regular press conference on Tuesday that "although it is the premier's prerogative it is still preferable to get people's understanding."

Fearing the dismissal of their party head Takemura, Sakigake held an emergency meeting of its Diet members Tuesday morning and decided to oppose the idea of a cabinet reshuffle at this time. Sakigake officials also hinted the party might withdraw from the coalition government if Hosokawa forces the reshuffle.

Late Monday, Hosokawa urged SDP chairman Tomiichi Murayama to cooperate with his plan for a cabinet shakeup that he is considering for early implementation, political sources said.

In his talks with Murayama, Hosokawa asked him to enter the cabinet in place of former SDP chairman Sadao Yamahana who is now in charge of political reform, the sources said.

Earlier on Tuesday, Hosokawa told reporters that he was neutral on the question of reshuffling his six-month-old cabinet within the day.

LDP Rejects Hosokawa's Call for Kono Summit

OW1502080694 Tokyo KYODO in English 0751 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The main opposition Liberal Democratic Party (LDP) on Tuesday [15 February] spurned Prime Minister Morihiro Hosokawa's call for a summit with its chief Yohei Kono, LDP Secretary General Yoshiro Mori said.

The premier relayed his desire to meet on Tuesday afternoon with LDP President Kono through Chief Cabinet Secretary Masayoshi Takemura, Mori told a news conference. But Kono and Mori rejected the offer for an informal one-on-one session because they agreed this is not the time for such a meeting, Mori said.

The LDP secretary general cited as a reason for the party's refusal to comply with the request the start on Wednesday of Diet deliberations on the third supplementary budget for fiscal 1993 ending March 31. "It may affect the morale of our party ranks if the two meet and talk secretively together on the eve of Diet debate at its plenary sessions," Mori said.

He said he conveyed to Takemura that the LDP may agree on a Kono-Hosokawa summit once the extra budget, intended to boost the languishing Japanese economy, clears the Diet.

Hosokawa and Kono met on February 2 along with their respective associates to exchange views mainly on the slumping economy and strained economic relations with the United States.

'Crack' in Hosokawa Cabinet Emerges Again

OW1502115394 Tokyo KYODO in English 1133 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The crack in the fragile coalition government of Prime Minister Morihiro Hosokawa emerged again Tuesday [15 February] over Hosokawa's plan to reshuffle his six-month-old cabinet.

At the center of the expected reshuffle is Chief Cabinet Secretary Masayoshi Takemura, leader of Sakigake (Harbinger). Sakigake and the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest force in the seven-party coalition, oppose the removal of Takemura from the post.

The SDPJ fears that if Takemura is removed, Shinseito (Japan Renewal Party), the key party in the coalition, and Komeito would take a decisive leadership in the coalition, political sources said.

Hosokawa said at a cabinet meeting this morning, "I would like to approach that decision (on a cabinet reshuffle) from a comprehensive point of view," according to government officials.

In the same meeting, Sadao Yamahana, an SDPJ minister in charge of political reform, expressed his opposition to the reshuffle, the officials said.

At a press conference SDPJ Chairman Tomiichi Murayama expressed his opposition to the reshuffling plan, saying "a reshuffle which smells of a power struggle should not be carried out." Murayama said Takemura has satisfactorily carried out his duties as "head clerk of the cabinet."

The SDPJ leader said a cabinet reshuffle should take place after the closure of the current regular Diet session in June.

Hosokawa telephoned Sakigake co-leader Hiroyuki Sonoda on Tuesday morning and urged him to take a cabinet post if Takemura could not remain in the cabinet. Sonoda rejected the proposal, political sources said.

Hosokawa and Takemura met for 50 minutes in the afternoon at the prime minister's official residence and discussed the possible reshuffling.

Takemura quoted Hosokawa as saying the timing and the scope of a cabinet reshuffle remains only on "blank paper."

Hosokawa reportedly told Takemura that after concluding political reform and the Washington meeting with U.S. President Bill Clinton, a cabinet reshuffle is now on the horizon.

Shinseito co-leader Ichiro Ozawa, a key strategist in the coalition, supported Hosokawa's idea, saying, "it is the premier's exclusive right (to reshuffle the cabinet), so I will follow his judgment entirely."

Sakigake held an emergency meeting of its Diet members Tuesday morning. Some members insisted the party withdraw from the coalition government if Hosokawa forces the change.

Takemura and six SDPJ cabinet ministers earlier in the month disagreed with Hosokawa's controversial new tax plan to finance a 6 trillion yen tax cut.

The government faced collapse after the SDPJ threatened to withdraw from the coalition over the tax plan and Hosokawa was forced to scrap a proposed 7 percent "national welfare tax" to replace the 3 percent consumption tax.

Yoshiro Mori, secretary general of the main opposition Liberal Democratic Party (LDP), said his party is willing to take over the task of governing if the reshuffle leads to the collapse of the coalition government. The LDP surrendered its 38-year grip on power to the coalition government last August.

Late last year when Takemura was at odds with Ozawa and Yuichi Ichikawa, secretary general of Komeito, over the handling of political reform bills, Ozawa reportedly asked Hosokawa to sack Takemura. At the time, Hosokawa rejected Ozawa's advice, political sources said.

Takemura and Ozawa reportedly buried the hatchet when Takemura visited Ozawa's residence to extend greetings on New Year's day. Takemura and Ozawa differ over Japan's future political structure.

Takemura, who hopes to form a "liberal" force, including proreformers from the LDP, has said it is not easy to establish a two-party system, while Ozawa and Ichikawa want to set up a two-party system, political analysts said.

Hosokawa has said he favors a moderate multiparty system. Ozawa advocates making Japan an "ordinary nation," calling for a greater contribution by Japan to international peacekeeping missions, while Takemura calls for a more modest role in the international community.

Mold Said Found in California Rice on Sale

OW1502085694 Tokyo KYODO in English 0834 GMT 15 Feb 94

[Text] Gifu, Feb. 15 KYODO—Rice discolored by mold has been discovered in rice imported from California and being retailed in stores in Gifu Prefecture, Food Agency officials said Tuesday [15 February].

The discolored rice was found in six 50-kilogram bags of the rice with the tainted rice occupying only a small part of each bag, the agency's Gifu office said.

Officials suggested that the rice may have become wet during its transport to Japan, adding they plan to check the rest of the rice stored in Gifu.

It is the first case in Japan of mold being found in the imported California rice.

The rice is part of a shipment of 7,200 tons from California that arrived in Kobe last December 13. A total of 850 tons of that rice was delivered to Gifu and 238 tons was sold to wholesalers on February 10.

Denshiro Kugo of the agency office said that it is likely the mold developed during the shipping since the mold was already dried out.

"We want to do our best to check the quality of the rice in storage as soon as possible so consumers can feel at ease," Kugo said.

Rice From Thailand, PRC Sold to Wholesalers

OW1502015894 Tokyo KYODO in English 0117 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—The Japanese Government began selling rice from China and Thailand to wholesalers Tuesday [15 February] to cope with a shortfall caused by a poor harvest last year.

The Food Agency is selling an initial 14,000 tons of U.S. rice, 16,000 tons of Chinese rice and 20,000 tons of Thai rice for a trial period in February.

U.S. rice from California has already reached retail outlets. The government sold the Californian rice to wholesalers from February 8 at prices some 16 percent lower than the price of domestic rice.

The Thai and Chinese rice is likely to hit the supermarket shelves at different times around the country because of delays caused by inspections and snowfalls. In Tokyo it is likely to reach consumers by Friday.

The Chinese rice is similar to the medium short-grain Japanese staple, while the Thai rice is the long-grain type.

Wholesalers and retailers alike are striving to fit the rice into categories which might appeal to customers. Many rice outlets have indicated they will not blend the different types of rice and will market the imported rice separately in small bags.

Blended rice is likely to become more commonly available on the market after March when larger volumes of foreign rice are released for sale, according to Food Agency sources.

Japan began to import rice as an emergency measure after a poor harvest last year left the nation with a major shortfall of its main staple.

In December, Japan agreed at global trade talks to partially open its rice market, breaking a long-standing policy of barring most imports of rice.

Japan is expected to import as much as two million tons of rice to make up for the shortage resulting from last year's worst postwar harvest.

EPA Reports Machinery Orders Rise in Dec

OW1502075594 Tokyo KYODO in English 0718 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Machinery orders placed by the Japanese private sector rose 5.3 percent in December from the previous month, showing signs of bottoming out, the Economic Planning Agency said Tuesday [15 February].

The figure, excluding volatile orders for ships and from electric power firms, amounted to 895.9 billion yen, down 6.3 percent from a year earlier.

Private sector machinery orders for the October-December period amounted to 2,438.5 billion yen, down 10.3 percent from the preceding three-month period and also down 8.7 percent from the same period of the previous year.

An agency official said the October-December performance was almost in line with a projection by the agency of a fall of 10.5 percent from the previous quarter.

Orders for the period were the same as those for the April-June period and the scale of the fall was much smaller than in the past, the official said.

"We can regard it as an indication the downtrend in private machinery orders is coming to an end," he added.

The figure is a leading indicator for corporate investment in facility and equipment in near future, which has been depressed amid the prolonged recession.

The agency predicted that the figure for the January-March period will show a rise of 8.1 percent from the preceding three-month period to 2,636.3 billion yen.

The official said the 8.1 percent rise predicted for the first quarter of 1994 is not really a strong recovery as the value of orders is at about the same level as the last quarter of 1992.

In December, private sector machinery orders, including those for ships and from electric power firms, came to 1,154.4 billion yen, up 9.6 percent from November and up 7.5 percent from a year earlier.

Of those, orders from manufacturers amounted to 375.5 billion yen, up 4.1 percent from the previous month but down 10.6 percent from a year earlier.

Orders from nonmanufacturers totaled 476.2 billion yen, down 3.8 percent on the previous month and down 1.5 percent from a year before.

On the other hand, public sector orders came to 312.7 billion yen, up 14.5 percent from November and also up 20.0 percent from the previous year.

Overseas orders amounted to 412.1 billion yen, up 0.4 percent from the previous month and down 9.2 percent from a year earlier.

Overall orders in December thus totaled 2,067.2 billion yen, up 11.2 percent from November and up 4.3 percent from a year earlier.

Emperor, Empress Visit Monuments to War Dead

OW1202102294 Tokyo KYODO in English 1007 GMT 12 Feb 94

[Text] Tokyo, Feb. 12 KYODO—Emperor Akihito and Empress Michiko on Saturday [12 February] visited two monuments to the war dead on Iwo Jima Island, site of one of the fiercest Pacific battles during World War II, and where 20,000 Japanese soldiers and 7,000 U.S. soldiers were killed.

They laid flowers and bowed in front of one of the monuments, where they met former island residents who were forced to leave during the war and representatives of bereaved families of the former Imperial Japanese Army.

Then they paid their respects at another monument built by the Tokyo Metropolitan Government.

The imperial couple had flown to Iwo Jima earlier in the day, to start a three-day visit to the Ogasawara Islands, to commemorate the 25th anniversary of the islands' return to Japan by the United States.

They arrived at the Self-Defense Forces' air station on the island, which is the only airfield available in the Ogasawara chain.

In the evening the emperor and the empress continued their trip aboard an aircraft carrier to Chichijima, the main island of the Ogasawara chain, where they will stay overnight.

On Sunday they will take a helicopter to neighboring Hahajima Island to attend a judo performance by local residents.

Following another stopover at Chichijima Island and meetings with islanders, the couple will return to Tokyo on Monday evening.

It is the couple's first trip to the islands in the western Pacific some 1,000 kilometers south of Tokyo and follows their historic visit to Okinawa last April to pay respects to Japanese soldiers and civilians killed there during World War II.

The use of more than 20 Self-Defense Force planes, 10 warships and 2,000 troops for their trip, however, has drawn criticism from civic groups.

The Ogasawara islands, which the U.S. calls the Bonin Islands, were taken by the U.S. toward the end of World War II and were returned to Japan in 1968.

Finance Minister Defends Action Over Donation

OW1502084494 Tokyo KYODO in English 0806 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Finance Minister Hirohisa Fujii said Tuesday [15 February] his officially designated political bodies handled properly a 10 million yen donation which he said he accepted in August last year from an organization formed by Japanese salt wholesalers.

Fujii told reporters that he served as an adviser to the organization, Enyu-kai, when he was elected as a member of the House of Councillors in 1977. He left the post in August 1993 when he became finance minister.

Fujii said his two designated political groups accepted the donation on August 11 as a bonus for his longtime service to the organization but dealt with the money properly.

Fujii said he has always tried not to confuse his ministerial position with accepting such donations, and "to avoid misunderstanding," he has paid back the money.

The YOMIURI SHIMBUN, the nation's leading national daily, said it questioned Fujii's office February 4 about the donation and later learned that the office returned the donation to the Enyu-kai on February 5.

The Enyu-kai has since returned all the money to the companies which donated it, the daily said.

Fujii, a longtime adviser to the Association of Salt Dealers Cooperatives and a former member of the Liberal Democratic Party, is a member of Shinseito, one of the ruling coalition parties.

The Enyu-kai office is located in the Tokyo headquarters of the association.

Salt is sold in Japan under a monopoly operation by the salt division of Japan Tobacco Inc.

A report from the Tobacco Industries Council has recommended that the salt monopoly be abolished but such a move would hurt many small wholesalers who are members of the Enyu-kai, the YOMIURI said.

Hosokawa To Establish Panel on Defense Policies

OW1502023094 Tokyo KYODO in English 0213 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Prime Minister Morihiro Hosokawa on Tuesday [15 February] disclosed his intention to set up a private panel of advisers to review the current national defense program outline in the post-Cold War world, government officials said. Hosokawa announced his plan at the day's meeting of the National Security Council.

Sources close to the prime minister said the inaugural meeting of the new panel is scheduled to be held later this month. The panel is scheduled to compile a proposal by the summer in time for the Defense Agency to present a demand for fiscal 1995 budgetary appropriations, they said.

A senior Defense Agency official said the prime minister expects the new panel to mainly discuss ideas and objectives of defense policy based on the long-term view of the situation in the post-Cold War period.

In parallel with the premier's new private panel, the Defense Agency will set up an in-house committee headed by the agency's director general, also to review the defense program outline, according to agency officials.

The sources said the premier's planned eight-member panel will be headed by Hirotaro Higuchi, chairman of Asahi Breweries Ltd.

The other members are former Defense Agency Vice Director General Seiki Nishihiro, former Joint Staff Council chairman Makoto Sakuma, former Ambassador to the United States Yoshio Okawara, Bank of Tokyo chairman Toyoo Gyohten, Kobe Steel vice president Shinji Fukukawa, Chichibu Cement chairman Ken Moroi and former University of Tokyo Prof. Akio Watanabe.

New UN Human Rights Appointment Welcomed

OW1502055694 Tokyo KYODO in English 0535 GMT 15 Feb 94

[Text] Tokyo, Feb. 15 KYODO—Japan welcomed Tuesday [15 February] the installation of Ecuador's United Nations Ambassador Jose Ayala Lasso in the newly created post of UN High Commissioner for Human Rights.

Foreign Ministry spokesman Terusuke Terada said in a statement that the Japanese Government welcomes the fact that Ayala Lasso officially assumed the post Monday, with the approval of the UN General Assembly.

Japan has supported the creation of such a post since it was first discussed at the World Conference on Human Rights in Vienna last June, Terada said.

He said the Japanese Government will actively support the UN High Commissioner for Human Rights so he could fulfil his important role to promote respect for human rights in the world.

UN General Secretary [General] Butrus Butrus-Ghali on February 1 named Ayala Lasso to become the first UN High Commissioner for Human Rights, for a four-year term.

Meeting Agrees on Alaska Fish Conservation Pact

OW1202093894 Tokyo KYODO in English 0857 GMT 12 Feb 94

[Text] Tokyo, Feb. 12 KYODO—Japan and other fishing nations have agreed to sign a treaty to conserve alaska pollack resources in the international waters of the Bering Sea, Fisheries Agency officials said Saturday [12 February].

They said the proposed treaty, agreed on in an international conference in Washington, calls for holding an annual convention among the signatory nations to set the total fish catches and national fishing quotas on the basis of a scientific resources survey.

In case the nations failed to agree on the total catches, the treaty would ban alaska pollack fishing if the resources were estimated at less than 1.67 million tons, the officials said.

The total catches would be set at 130,000 tons if the estimate ranged from 1.67 million to 2 million tons and at 190,000 tons if the estimate ranged from 2 million tons to 2.5 million tons.

Japan, China, South Korea, Poland, Russia and the United States suspended alaska pollack fishing in the waters in 1993 and 1994 following a sharp decrease in catches.

North Korea

ROK Soldiers Urged To Oppose U.S. Forces

SK1502062994 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 14 Feb 94

[Unattributed talk: "The South Korean Puppet Army Is a Colonial, Hired Mercenary Army;" from the "Hour for South Korean Soldiers" program]

[Text] Officers and men of the South Korean Army: The South Korean Army has been invariably a colonial, hired mercenary army for outside forces. After the military dictators came to their doom a so-called civilian-led regime emerged. The so-called civilian-led regime has babbled about so-called military reform and the like. However, the so-called military reform is nothing but an ostentatious slogan, and the puppet army still remains a colonial, hired mercenary army for outside forces.

The prerogative of supreme command of the puppet army is still in the hands of the United States, and even the puppet army officers' manual books stipulate that the puppet army's imaginary enemy is precisely the North, following the U.S. strategy of aggression against Korea.

There are many armies in the world. However, there is no army in the world, the prerogative of supreme command of which has been completely divested of by outside forces and the nation of which has been prescribed as an enemy.

A newspaper published by the Korean residents in a foreign country wrote: The South Korean puppet army is not a national army but an antinational army because it is the army which does not serve the interests of the nation but exists only for outside forces.

Even a former commander of the U.S. forces in South Korea himself confessed that the South Korean Army is a hired mercenary army of the United States, that it is an army protecting U.S. investments in South Korea, and that it is an army which can bear maximum effectiveness with minimum expenses. The South Korean puppets themselves admit that their prerogative of supreme command has been divested of and that their army is nothing but a hired mercenary army controlled by outside forces.

That the South Korean puppet army is aiming its rifle at fellow countrymen is because it has become cheap cannon fodder for outside forces. The South Korean puppet Army was used and is being used as a shock brigade for outside forces' aggression overseas because it is a colonial, hired mercenary army.

According to a recent report of the South Korean Munhwa Broadcasting System, the South Korean puppets dispatched as many as 312,850 South Korean puppet troops to Vietnam during the Vietnam War as demanded by the United States, and among them over 4,600 troops were killed in vain. Of course, this was the figure reduced to the minimum by the puppets. How can these hired mercenary troops which opposed fellow countrymen and took part in slaughtering another nation according to the aggression policy of outside forces be regarded as an army for the country, for the nation, and for the people?

The South Korean puppets are propagating that although it had the disgrace of being the plunderer of power in the past the army will not meddle in politics in the future nor will it be used as riot- quelling troops [chinapkun] for political purposes. However, the people never believe this.

The Kim Yong-sam ring clamored that the puppet army should not become riot-quelling troops. However, this is, in fact, an out-and-out lie.

The Kim Yong-sam ring is brutally suppressing those people calling for reunification and, because of this, has been branded as a civilian-led fascist ring. The civilian-led dictatorial elements have gone so far as to designate the people calling for the right of survival as the target of their suppression. Today the people still vividly remember the fact that the previous South Korean dictators barbarously murdered thousands of Kwangju citizens by mobilizing the puppet army troops when the United States issued them directives to brutally suppress the Kwangju resistance in a bid to rescue the colonial fascist ruling system from a crisis and to prevent civilians from attacking its (?nuclear) base in Kwangju.

As his predecessors did, traitor Kim Yong-sam is playing the role as a running dog and a guard protecting the colonial rule by outside and nuclear weapons storehouses.

The puppet traitor committed the treacherous crime of selling the rice market, which is closely related to the destiny of the six million South Korean farmers, to his U.S. boss in return for his so-called international cooperative system formed to do harm to fellow countrymen. He is now brutally suppressing the struggle of farmers and young students against the opening of the rice market. There is no guarantee that this pro-U.S. flunkyist and national traitor will not trigger a war against fellow countrymen by mobilizing the puppet army. There is also no guarantee that he will not impose again such a bloody tragedy as the Kwangju incident on the South Korean people.

Officers and men of the South Korean Army: You cannot escape the digraceful destiny of being the colonial, hired mercenary troops as long as a pro-U.S. flunkyist traitor and a nation-seller such as traitor Kim Yong-sam keep hold on power in South Korea.

Officers and men of the South Korean Army should not be treated contemptuously as colonial, hired mercenary troops for outside forces, being forced to endure a disgraceful destiny, but should struggle against [pandae haeso ssawoya] outside forces and the Kim Yong-sam puppet clique, their running dog, to regain the divested national sovereignty and to seek the kind of life a human being should lead.

Talk Urges Denuclearization of Northeast Asia

SK1502110594 Pyongyang Korean Central Broadcasting Network in Korean 0930 GMT 14 Feb 94

[Unattributed talk: "The Denuclearization of Northeast Asia Is an Urgent Demand"]

[Text] The need for the denuclearization of Northeast Asia is now increasing more than ever. International opinion interested in peace calls for the denuclearization of Northeast Asia, regarding it as an important issue for peace and security in Asia and the world at present.

The great leader Comrade Kim Il-song has taught: To abolish nuclear weapons and prevent nuclear war, non-nuclear, peace zones should be established in various parts of the world and should be continuously expanded.

The denuclearization of Northeast Asia is an urgent demand for the situation prevailing in this region which includes the Korean peninsula. Northeast Asia is an area where the danger of nuclear war is greater than any other in the world. Today with the end of nuclear confrontation between superpowers, nuclear disarmament is an international trend. In contrast, however, in Northeast Asia, factors increasing the danger of nuclear war remain and constantly threaten the peace and security of this region and Asia as a whole.

Above all else, numerous nuclear bases and nuclear means are concentrated in the Northeast Asian region. Nuclear weapons and nuclear bases that exist in the Northeast Asian region are the remnants of the Cold War era. Under the pretext of deterring someone's attack and of preparing for nuclear retaliation, the United States built numerous nuclear bases in Northeast Asia, such as in South Korea and Japan in the Cold War era, and deployed enormous quantities of nuclear weapons and their delivery vehicles in forward positions. Under the U.S. nuclear umbrella protection strategy, South Korea has turned into the largest nuclear weapons arsenal in the Far East, and Japan has become an unsinkable U.S. nuclear aircraft carrier.

Today, with the Cold War over and with nuclear disarmament a prevalent trend, there is no reason why nuclear weapons and nuclear bases should remain any longer in Northeast Asia. Although the United States declared a few years ago that there were no nuclear weapons in South Korea, no convincing practical steps have been taken for this [kugosul naptuk sikilmanhan silchejok chochiduri chwihaejiji anko issumnida]. Numerous nuclear war means are deployed on U.S. military bases in Japan, such as those in Misawa and Okinawa. These bases are basic factors increasing military confrontation and the danger of nuclear war in this region.

The danger of nuclear war in Northeast Asia is increasing all the more because nuclear war commotions continue in this region. It is a well-known fact that the United States has frequently conducted nuclear war exercises, mobilizing its nuclear weapons in the Asia-Pacific region and its mainland as well as into the Northeast Asian region. The Team Spirit test nuclear war is a typical example of it. The United States is going against its own promise in attempting to enforce large-scale nuclear war exercises, including the Team Spirit joint military exercise, referring to the possibility of someone's nuclear development and war provocation. As long as nuclear armed forces exist in Northeast Asia and as long as nuclear fire games continue there, the danger of nuclear war cannot be removed, nor can the people of Asia free themselves from the constant nuclear threat.

The denuclearization of Northeast Asia becomes an even more serious and urgent problem particularly because a new hotbed of nuclear war is rapidly growing in this region. This new nuclear war force growing in Northeast Asia today is Japan. The possibility of Japan's nuclear armament has now surfaced as an international concern, with increasing worries about it. This is far from surprising. In fact, Japan's nuclear armament has reached a dangerous point. It is a well-known fact that the Japanese reactionaries are dashing toward becoming a military and nuclear power, raving that Japan lost the war in the past because it was not strong enough.

Japan will soon be operating [monju], its first fast breeder reactor in its nuclear power plant with the largest-scale reprocessing capacity in the world. Needless to say, this emerges from Japan's dangerous attempts to produce nuclear weapons in a fullfledged manner at any time by securing large quantities of plutonium on its own. Japan apparently plans to maintain a large stock of plutonium from which it can produce some 6,200 nuclear bombs by the year 2010.

Japan has all the factors and the technology, including an electronic explosion device, that enables it to immediately produce nuclear weapons at this time. Moreover, Japan has already manufactured nuclear warheads, which will operate only if the required amount of plutonium is loaded. Japan recently fired a satellite delivery rocket. Thus, in actuality it came to possess a long-range missile system. This means that Japan's nuclear armament has become a reality before the people's eyes. It is not an imaginary thing.

Experts in nuclear issues believe that it is simply a matter of time for Japan to develop nuclear weapons. With the opening of the door for dispatching troops overseas, Japan's nuclear armament maneuvers take even a more grave and dangerous hue. Japan's acceleration of its nuclear armament lays obstacles on the course of the denuclearization of the Korean peninsula. In addition to the United States, Japan is attempting to become our other nuclear offender [haek kahaeja]. We absolutely cannot become the nuclear victim of Japan.

Under the circumstances that Japan is accelerating its nuclear armament program, we, its neighbor, are forced to cope with this situation with vigilance [pudukbuk kaksongul kajigo ie taechohajianulsu optta]. Because Japan's nuclear armament has reached a dangerous stage, the denuclearization of the Korean peninsula became meaningless. The denuclearization of Northeast Asia must be realized to check Japan's nuclear armaments.

It is necessary that the world, not to mention Asia, should direct due attention to Japan's nuclear armament maneuvers, and should wage an international movement to check them. It is also necessary that the international community raises its voices for realizing the denuclearization of Northeast Asia, including the Korean peninsula.

The denuclearization of Northeast Asia is an important demand for building a nuclear-free world. To realize the denuclearization of the entire world, the district which has become a most dangerous nuclear spot should first be made a nuclear-free zone. If the denuclearization of Northeast Asia is realized, the most dangerous hotbed of a nuclear war will be removed and a nuclear war can be prevented in Asia, thus effecting a remarkable advance in building a nuclear-free world. The denuclearization of Northeast Asia must be linked to the overall abolishment of nuclear weapons throughout the world. Only when this is achieved, can an overall and complete abolishment of nuclear arms be realized throughout the world and can a new era be opened in guaranteeing durable peace and security in the world.

Daily Demands Halt To Plans for Radio Free Asia

SK1302091094 Pyongyang KCNA in English 0824 GMT 13 Feb 94

["The United States Must Immediately Stop Its Scheme To Start Radio 'Free Asia'"—KCNA headline]

[Text] Pyongyang, February 13 (KCNA)—China, Vietnam, Laos and other Asian countries expressed resentment at the installation of the Radio "Free Asia" by the United States, says a NODONG SINMUN analyst today, adding this is an expression of their independent stand to reject the Yankee-style culture and defend their own traditions, culture and way of life.

The news analyst goes on:

As many Asian countries have recognized, the Radio "Free Asia" which the United States is going to start broadcasting is intended to spread the socalled "outlook on the value of American democracy" and bourgeois ideology. National disputes and confrontation have resulted in bloodletting and ruthlessly destroyed the economic and social life now in the region and countries which had been influenced by such radio waves in the past.

Through the Radio "Free Asia" the United States is seeking to reproduce such a reality in the Asian region and thereby disorganize and destroy the socialist and independent countries in this region from within.

Even if it started broadcasting tricky programmes against Asian countries, the United States will have nothing to gain therefrom.

As expressed clearly and repeatedly, the Korean and other Asian people will defend their national sovereignty with the firm stand of masters being responsible for their own destinies, and staunchly struggle against the Yankee-style culture and in defence of their traditions, culture and way of life.

The United States must immediately stop the farce of launching into the broadcasting of the Radio "Free Asia".

KCNA Denies Funds Received Via Chongnyon

SK1502052294 Pyongyang KCNA in English 0505 GMT 15 Feb 94

["Japanese Reactionaries Must Act With Discretion"—KCNA headline]

[Text] Pyongyang, February 15 (KCNA)—Nowadays the Japanese reactionaries and their subsidized media are circulating the fiction of "outflow of money" from the General Association of Korean residents in Japan (Chongnyon) to the DPRK and hysterically crying that it must be "checked".

Their voluble talk about "outflow of money" is totally unfounded fabrication. It is a product of their persistent intrigues against the DPRK and Chongnyon.

Their allegation that colossal funds amounting to several hundred billion yen flow to the DPRK from Japan annually is based on false materials provided by the modern Korea institute, an anti-DPRK, anti-Chongnyon plot-breeding organization. This is, indeed, a preposterous, trash which could be invented by two-bit shysters accustomed to telling a lie.

They, above all, give am extravagant overestimation of the number of Japan-resident Koreans visiting the homeland and are misleading the public opinion with the talk that they have been donating a large amount of money to the homeland. This is the height of folly.

It is unimaginable for the DPRK, a powerful socialist country, to receive money from Chongnyon, its overseas Koreans' organization, and the whole world knows that the DPRK Government has sent a large amount of educational aid fund and stipends to Chongnyon for the children of Koreans in Japan.

As far as the joint-venture factories run by Korean traders and manufacturers in Japan in the homeland are concerned, it is a matter of their legitimate rights as businessmen.

This notwithstanding, the Japanese reactionaries are misleading the public opinion in a bid to create the impression that the DPRK is getting along with the "funds" leaking from Japan. This is an intolerable insult to the DPRK.

The DPRK has owed nothing to Japan up until now. It has lived and can live without Japan's help, and is able to live by its own efforts.

Under the revolutionary banner of self-reliance we have built a powerful socialist country of independence, self-sustenance and self-reliance in national defence, not affected by any fluctuation of the situation, and are proudly exalting its grand might.

The Japanese reactionaries' anti-DPRK intrigue is an outcome of the consciousness of crisis of those who are dazed at the might and indestructibility of the anthropocentric Korean-style socialist system.

In fabricating the preposterous "outflow of money" fiction reversing the stark reality they seek an aim to tarnish the international image of the DPRK, a highly dignified country, and find an excuse for suppressing Chongnyon and Koreans in Japan.

It is not a happenstance that they launched into a frenzied anti-DPRK false propaganda at a time when the United States and seditious forces were unhesitatingly driving the situation on the Korean peninsula to an extremely dangerous, catastrophic crisis on the pretext of the fictitious "nuclear problem" of the DPRK.

Exasperating, indeed, is the despicable talk about fictitious "outflow of money" of the Japanese reactionaries who still do not intend at all to make an apology and adequate compensation for their disgraceful past in which they had inflicted immeasurable misfortunes and hardships upon the Korean people, including the "comfort women for the army" issue.

Their talk about "checking" the "outflow of money", a mere fiction, is a ridiculous hokum of those seized with schizophrenia.

They must act with discretion, clearly mindful that if they persist in intrigues against the DPRK, working in collusion with the United States, no good results would await them.

Kim Il-song Sends Funds to Students in Japan

SK1502132394 Pyongyang KCNA in English 1032 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The great leader President Kim Il-song sent educational aid fund and stipends of 108,200,000 yen (Japanese currency) for Democratic National Education of the General Association of Korean Residents in Japan (Chongnyon).

The educational aid fund and stipends which have hitherto been sent to the children of Korean residents in Japan in 126 instalments total 41,908,192,433 yen in Japanese currency.

Chuche Institute Delegation Arrives From Japan

SK1302090494 Pyongyang KCNA in English 0806 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—A delegation of the International Institute of the Chuche Idea led by its Secretary General Kenichi Ogami and Mototeru Kamo, owner of the Kamo Flower Garden in Japan, arrived here Saturday by air.

Hwang Chang-yop Meets Group

SK1402055894 Pyongyang KCNA in English 0508 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on February 13 met and had a friendly conversation with the visiting delegation of the International Institute of the Chuche Idea headed by its Secretary General Kenichi Ogami.

Present there was Kim Tok-su, vice-president of the Chuche Idea Academy.

The head of the delegation said that the Japan liaison council of societies for the study of the works of Kim Chong-il was formed in Japan. This fully shows how great the idea and theory of Comrade Kim Chong-il is, he added.

Pointing out that the chuche idea is a great one, he stressed that the progressive people of the world including the Japanese people boundlessly trust and look up to dear secretary Kim Chong-il.

Kim Chong-il Study Societies Formed in Japan

SK1502043694 Pyongyang KCNA in English 0404 GMT 15 Feb 94

[Text] Pyongyang, February 14 (KCNA)—The Tokyo Society of Working People for the Study of Kim Chong-il Works and the Kyoto Society for the Study of Kim Chong-il Works were inaugurated in Japan.

An inaugural meeting of the society of working people for the study of Kim Chong-il works held in Tokyo on January 16 elected designing engineer Yoshio Watanabe chairman of the society and deputy director general of the Japan-Korea Cultural Interchange Association Jun Shimizu and former Tokyo Metropolitan Diet Member Sataharu Hirota advisors.

The society consists of teachers, technicians and working people of different strata.

At an inaugural meeting of the society for the study of Kim Chong-il works held in Kyoto on January 15 chairman of the society Kazuhiko Matsuhiro delivered a report.

He referred to the study of the great and unique idea and theory of the dear leader Comrade Kim Chong-il and said that the society would strengthen the work with young workers as well as learned and literary men in Kyoto.

A letter to Comrade Kim Chong-il was adopted at the meeting.

Chuche Institute Head in Japan Awarded Doctorate

SK1502053494 Pyongyang KCNA in English 0454 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The doctorate of economics was awarded to Takao Kamakura, director of the board of the International Institute of the Chuche Idea and professor of economics of Saitama University of Japan.

With deep feelings of respect and trust for the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, he had made great contributions to the work of widely introducing and propagandizing the chuche idea and the advantages of Korean-style socialism among the world people, actively supporting the cause of the independent and peaceful reunification of Korea and realizing the independence of Japan.

A ceremony for conferring the doctorate of economics on him was held at the Mansudae Assembly Hall on Monday.

A decision of the State Commission for Conferring Degrees and Titles of the DPRK was read out before Vice-President Yi Chong-ok awarded the diploma of doctorate and the medal to Takao Kamakura.

Present at the presentation ceremony was the visioqng delegation of the International Institute of the Chuche Idea led by its Secretary General Kenichi Ogami.

Uruguayan Communist Party Delegation Arrives

SK1102114994 Pyongyang KCNA in English 1114 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—A delegation of the Communist Party of Uruguay led by executive secretary general of the Central Committee of the Party, Pedro Balbi, arrived here today.

Central Committee Hosts Reception

SK1202050594 Pyongyang KCNA in English 0452 GMT 12 Feb 94

[Text] Pyongyang, February 12 (KCNA)—The Central Committee of the Workers' Party of Korea Friday hosted a reception for the delegation of the Communist Party of Uruguay headed by Executive Secretary General of its Central Committee Pedro Balbi on a visit to Korea.

Secretary of the WPK Central Committee Kim Chung-nin, speaking at the reception, said the delegation was paying a visit to Korea at a time when the birthday of the dear leader of our party and people Comrade Kim Chong-il was being celebrated significantly. "This is an expression of your party's deep trust in and respect for him," he noted.

"I highly appreciate the active efforts made by you to rebuild your party into an independent party on a mass basis, upholding the socialist idea and revolutionary principles under the unfavorable situation caused by the complication in the international communist movement and, at the same time, to achieve solidarity and united action with the democratic, leftist political parties, embraced in the 'broad front', and wish you a new progress in your just activities," he stated.

Executive Secretary General Pedro Balbi said that the current visit of his delegation would mark an important occasion in the continued strengthening of the friendly relations between the Communist Party of Uruguay and the Workers' Party of Korea in the people's struggle for the cause of independence against imperialism.

"The firm revolutionary principle maintained by the Workers' Party and people of Korea in their struggle to accomplish the cause of socialism is a model for the progressive parties and peoples the world over," he stressed.

He heartily hoped that the dear leader Comrade Kim Chong-il will wisely lead the cause of socialism, the cause of independence against imperialism and the cause of Korea's reunification.

Kim Il-song Meets Uruguayan Guests

SK1502133594 Pyongyang KCNA in English 1035 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The great leader President Kim Il-song today received the visiting delegation of the Communist Party of Uruguay led by Executive Secretary General of the Central Committee of the Party Pedro Balbi.

Present there were Secretary Kim Chung-nin and Vice-Director of a department Chi Chae-yong of the Central Committee of the Workers' Party of Korea.

The head of the delegation extended warm congratulations to the dear leader Comrade Kim Chong-il on his birthday and wished President Kim Il-song and Comrade Kim Chong-il good health and long life.

President Kim Il-song expressed thanks for this and conversed with the guests in a cordial and friendly atmosphere.

He arranged a luncheon for the guests.

Kim Il-song Receives Gift

SK1502133794 Pyongyang KCNA in English 1036 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The great leader President Kim Il-song received a gift from the Communist Party of Uruguay.

The gift was handed to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, by Pedro Balbi, executive secretary general of the Central Committee of the Communist Party of Uruguay, on a visit to Korea.

Kim Chong-il Receives Gift

SK1502134094 Pyongyang KCNA in English 1037 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The dear leader Comrade Kim Chong-il received gift from the Communist Party of Uruguay.

The gift was handed to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, by Pedro Balbi, executive secretary general of the Central Committee of the Communist Party of Uruguay, on a visit to Korea.

WPK Hosts Reception for Canadian Communists

SK1302090794 Pyongyang KCNA in English 0851 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—The Central Committee of the Workers' Party of Korea hosted a reception on Saturday for the delegation of the Communist Party of Canada (M-L) led by its national leader Hardial Bains.

Speaking at the reception, secretary of the WPK Central Committee Hwang Chang-yop said that we highly estimate the Communist Party of Canada (M-L) which is expanding the basic party organisations among the working class and students and other broad masses, strengthening the centralism in order to defend, expand and strengthen the revolutionary idea, the socialist idea under the complicated internal and external situation and, at the same time, actively conducting the work of supporting and encouraging the Canadian people in their struggle against capital exploitation.

He noted:

"Our party is happy to have such true friends as you in North America. We believe that the Korean visit of your delegation will strengthen the bonds of friendship and solidarity between the two parties and contribute to the strengthening and development of the international communist movement."

Hardial Bains in his speech said that his party was deeply moved to see the great leader Comrade Kim Il-song, who has maintained a firm independent stand, is victoriously leading the Korean people along the road of socialism, and deeply respected him.

The struggle of the Korean people who have adhered to the steadfast anti-imperialist stand under the wise guidance of the great leader Comrade Kim Il-song is greatly encouraging the world people for socialism and independence, he noted.

"Our party," he stated, "will stand firm on the side of the Workers' Party of Korea which is struggling in defence of socialism against U.S. imperialism under the leadership of the great leader."

He denounced all the manoeuvres of the imperialists to isolate and stifle Korea, Cuba and other socialist countries.

WPK, Canadian Delegation Hold Talks

SK1402050594 Pyongyang KCNA in English 0454 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—Talks between delegations of the Workers' Party of Korea [WPK] and the Communist Party of Canada (Marxist-Leninist) were held here Sunday.

Present there on the WPK side were Secretary of the C.C. [Central Committee], WPK Hwang Chang-yop, Vice-Director of a department of the C.C., WPK Pak Kyong-son and officials concerned and on the opposite side were the delegation led by national leader of the party Hardial Bains.

The sides informed each other of their parties' activities and discussed the issues of further strengthening and developing bilateral relations and other matters of common concern.

Reunification Committee Holds Meeting in Paris

Sends Letter to Kim Il-song

SK1102045494 Pyongyang KCNA in English 0419 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—The great leader President Kim Il-song received a letter sent by Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), upon successful conclusion of the enlarged meeting of the Executive Committee of the Cilreco in Paris on February 6.

The letter dated February 6 said that the enlarged meeting made a deepgoing analysis of the question of reunification of Korea and recent developments in the nuclear issue of the Korean peninsula and took measures for solidarity with the cause of the Korean people.

The participants in the meeting expressed full support to the proposal of your excellency president to finally solve the nuclear issue on the Korean peninsula and reunify Korea in the form of confederation based on one nation, one state, two systems and two governments, the letter pointed out.

It noted that the participants denounced the unwarrantable stand of the United States which is resorting to moves to stifle socialist Korea.

It said that the enlarged meeting decided to declare 1994 a "year of international solidarity for support to the reunification of Korea through confederacy" and reaffirmed its resolution to conduct widespread solidarity movement in this connection.

It sincerely wished President Kim Il-song good health and long life.

Sends Letter to Kim Chong-il

SK1102045594 Pyongyang KCNA in English 0424 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—The dear leader Comrade Kim Chong-il received a letter sent by Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), upon the successful conclusion of an enlarged meeting of the Executive Committee of the Cilreco in Paris on February 6.

The letter dated February 6 noted the participants in the meeting expressed deep apprehensions over the grave crisis which has been created by the unreasonable attitude of the United States in the process of solving the nuclear issue on the Korean peninsula and strongly denounced the moves of the U.S. hardline conservatives who are laying artificial hurdles in the DPRK-USA talks.

The participants urged the South Korean authorities to abandon the policy of depending upon the outside forces and stop crackdown upon the South Korean patriots in their struggle for independence, democracy and reunification and expressed firm solidarity with all the patriotic forces of South Korea fighting for the independent and peaceful reunification of Korea, it noted.

It said that the participants decided to conduct a more powerful solidarity movement for supporting the historical proposal for founding the Democratic Confederal Republic of Koryo advanced by respected President Kim Il-song.

It pointed out that the enlarged meeting adopted the 1994 action program of the international liaison committee to expand and develop the international solidarity movement to actively rouse the world people to action for a fair solution to the nuclear issue on the Korean peninsula and support the cause of the reunification and peace of Korea.

The letter heartily wished Comrade Kim Chong-il good health and long life.

WPK Delegation Attends Meeting

SK1102112994 Pyongyang KCNA in English 1006 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—An enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), was held in Paris on February 6.

It was attended by honorary chairmen of Cilreco Francisco da Costa Gomes ex-president of Portugal; Willy Burgeon, chairman of the Wallon district council of Belgium and member of the bureau of the Socialist Party of Belgium; ex-Greek General George Pattas, president of the committee for the struggle against foreign military bases of Greece and chairman of the Western Europe committee for Korea's reunification and peace; former mayor of Geneva Roger Dafflon; Amar Bentoumi, secretary general of the International Association of Democratic Lawyers and former minister of justice of Algeria; and vice-chairmen of Cilreco attorney Stanley Faulkner, chairman of the U.S. lawyers committee on Korea, and Prof. Robert Charvin, secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea and honorary dean of the law faculty of Nice Law University of France, and others; and Michael Hicks, general secretary of the Britannic Communist Party; Roberto Gabriele, general secretary of the movement for peace and socialism of Italy; Helga Humbach, member of the National Executive Committee and propaganda secretary of the German Communist Party; Jaime Ballesteros, international secretary of the Central Committee of the Communist Party of the Peoples of Spain; Lisbet Brabet, international secretary of the Communist Party of Denmark; and delegates of the Spanish Communist Party, the Communist Party of the Netherlands, the Belgian Labour Party, the Sandinist National Liberation Front of Nicaragua in France, the Peruvian Communist Party, the Communist Party of Paraguay, the Workers' Party of Turkey and the Socialist Party of Chile, and political and public figures of many countries.

It was also attended by a delegation of the Workers' Party of Korea.

The meeting discussed the first agenda item "on the current situation on the Korean peninsula and tasks facing the international solidarity movement" and the second item "1994 action program of the international liaison committee for reunification and peace in Korea".

Guy Dupre, secretary general of Cilreco, delivered a report, which was followed by speeches of the head of the delegation of the Workers' Party of Korea and others.

The meeting adopted letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

It declared 1994 "a year of international solidarity for support to the reunification of Korea through confederacy" and adopted an appeal to governments, parliaments, political parties, public organisations and peoples of all countries and international organisations and the 1994 action program of the Cilreco.

Meeting Adopts Plan of Action

SK1102113894 Pyongyang KCNA in English 1039 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—An enlarged meeting of the executive Committee of the International Liaison Committee for Reunification and Peace in Korea [Cilreco] held in Paris on February 6 adopted an action programme for 1994.

The action programme manifested support to the proposal to reunify Korea in the form of confederacy which was advanced by the great leader President Kim Il-song and clarified its policy to dynamically conduct the international solidarity movement to realise the proposal for founding the democratic confederal republic of Koryo and the 10-point programme of the great unity of the whole nation.

It noted:

The primary task of the international liaison committee in its activities for 1994 is to check and frustrate the U.S. adventurous policy of strength against the DPRK and rouse widespread international opinion demanding a successful progress of the DPRK-U.S. talks.

The formula of reunification through confederacy is the most realistic way of founding a unified state, independent and neutral, peaceful and non-aligned, leaving the two systems in the North and the South of Korea as they are, and achieving a genuine unity of the nation.

The international liaison committee will further strengthen the international solidarity movement with the Korean people in their struggle for the reunification of the country and rouse wide international opinion to urge the South Korean authorities to promote the great national unity with an independent stand.

It once again expresses full support to the proposal for founding the democratic confederal republic of Koryo and the 10-point programme of the great unity of the whole nation and decides it as its main task for its activities in 1994 to rouse widespread international opinion in favor of the proposal for reunification by means of confederacy.

With a view to making solidarity movement powerful in many countries of the world, it declares 1994 a "year of international solidarity for support to the reunification of Korea through confederacy".

While giving priority to the above-mentioned two points, it will dynamically conduct the solidarity movement for the final solution to the Korean issue.

It will make its utmost in its activities in 1994 to wage a powerful movement for demanding the withdrawal of the U.S. troops and nuclear weapons and other arms and equipment from South Korea, a perpetual end to all forms of provocative military exercises in the Korean peninsula, a termination of the U.S. interference in the internal affairs of the [words indistinct], replacement of the Korean armistice agreement of 1953 with a peace agreement between the DPRK and the United States, urging the South Korean authorities to stop the suppression of the democratic figures fighting for independence, democracy and reunification, abrogate the notorious "national security law", release the imprisoned patriots and respect human rights, demanding the resumption of heart-to-heart North-South dialogue for the faithful implementation of the inter-Korean agreement and dismantlement of the concrete wall and supporting the establishment of a nuclear-free, peace zone on the Korean peninsula and the independent and peaceful reunification of Korea.

Secretary General Delivers Report

SK1202010294 Pyongyang KCNA in English 2254 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), delivered a report at an enlarged meeting of the Executive Committee of Cilreco which was held in Paris on February 6.

The reporter outlined immediate tasks to strengthen international solidarity movement for supporting the cause of Korea's reunification and peace under the acute situation prevailing in the Korean peninsula.

Analysing the situation of the Korean peninsula, he stressed the need to be cautious of the Western media reports categorically dismissing the proposals and initiatives of the Democratic People's Republic of Korea and shunning the reality and, at the same time, to analyse the developments from an objective stand and correctly see through the essential stand of the parties involved in the Korean issue.

Noting that the tension on the Korean peninsula remains acute, though a joint statement was adopted between the DPRK and the U.S. in June 1993 at official talks between the two sides, he said: "This is because the United States went back on its promise to the DPRK for the solution of the nuclear issue on the Korean peninsula."

He recalled that the DPRK, on January 31, 1994, solemnly declared that if the U.S. reversed its promise to the DPRK, the DPRK would no longer be bound by its promise to the U.S., that if the United States refused to have any more talks with the DPRK, the DPRK would seek no further talks and that if the U.S. would choose any other way, the DPRK will choose a corresponding countermeasure. "If broad masses are to be roused in a campaign to force the United States to strictly observe the principle agreed upon in its joint statement with the DPRK under the critical present situation, it is important to bring home the developments on the Korean peninsula to the public," the reporter said.

He branded "suspected nuclear development of the North" as a variant of the fiction of "threat from the North" invented by the United States to justify its moves to stifle the DPRK.

He said "threat from the North" over which the United States and the South Korean authorities have hitherto raised terrific outcries is a sheer fabrication without any ground.

He pointed out that the United States and its followers made the International Atomic Energy Agency and the United Nations adopt high-handed "resolutions" in a bid to inveigle the international community into the U.S. "policy of strength" against socialist Korea.

He charged that the South Korean authorities have run a gamut of plots to bar the solution of the nuclear issue through the medium of direct negotiations between the DPRK and the U.S. and Japan has burst into the limelight in raising a hue and cry over the fictitious "suspected nuclear development by the North".

The reporter quoted President Kim Il-song as saying in his New Year address that the nuclear issue on the Korean peninsula must be settled through DPRK-U.S. talks under all circumstances and pressure and threat will have no effect on the Korean people and such method may invite a catastrophe, far from leading to a solution of the problem.

"We express full sympathy for the principled stand," declared the reporter.

He demanded that the Korean Armistice Agreement be replaced by a peace agreement between the DPRK and the U.S. in compliance with the requirements of the resolution (3390 b) of the 30th U.N. General Assembly and, accordingly, the U.S. Forces be completely withdrawn from South Korea.

He said the 10-point programme of the great unity of the whole nation shows a way of an early realisation of Korea's reunification.

He further said:

"The 10-point programme of the great unity of the whole nation for the reunification of the country put forward by President Kim Il-song last year indicates detailed ways for founding the Democratic Confederal Republic of Koryo [DCRK], an independent, peaceful and neutral unified state. We will make every effort to arouse louder voices supporting the proposal for founding the DCRK and the 10-point programme of the great unity of the whole nation."

The reporter stressed the need to expand and strengthen the international solidarity movement for Korea's reunification and peace and proposed measures for this.

He said:

"Primary efforts should be directed to the following two points to bring about a decisive turn in creating an atmosphere of detente and reconciliation for hastening the process of Korea's reunification this year:

"What is important above all is to build up broad world opinion urging the United States to abandon its hostile policy to stifle the DPRK and abide by the principles of the joint statement agreed upon between the DPRK and the United States.

"What is important next is to put the question of reunification through confederacy on the agenda of inter-Korean talks and promote reunification-oriented dialogue. Of importance in this regard is to arouse broad world opinion supporting the proposal for founding the DCRK, the most realistic and fair way in the solution to the Korean issue.

"With a view to building up world opinion in favor of the settlement of the Korean issue, we propose declaring 1994 'a year of international solidarity supporting Korea's reunification through confederacy.'"

The reporter expressed the hope that the members of the leading body of Cilreco and leading officials of the regional and national committees of support to Korea's reunification and organizations for friendship and solidarity with the Korean people will actively turn out, with a high sense of responsibility, in the work to expand and strengthen international solidarity movement in keeping with the demands of the obtaining situation.

Kim Il-song Greets New Burundian President

SK1402051594 Pyongyang KCNA in English 0452 GMT 14 Feb 94

[Text] Pyongyang, February 13 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Cyprien Ntaryamira upon his assumption of office as president of the Republic of Burundi.

Wishing him success in his work for the promotion of national reconciliation and stability and for the prosperity of the country, the message expressed the belief that friendly relations between the two countries would continue developing.

Kim Il-song Greets Cape Verde President

SK1502132194 Pyongyang KCNA in English 1029 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Monday sent a message of greetings to Antonio Manuel Monteiro Mascarenhas, president of the Republic of Cape Verde, on his 50th birthday.

President Kim Il-song in the message wished him great success in his future work for the prosperity of the country and health and happiness.

KCNA Reports on Chuche Seminar in Uganda

SK1502054394 Pyongyang KCNA in English 0421 GMT 15 Feb 94

["Report at International Seminar on Chuche Idea for Independent Development and Cooperation of World Peoples"—KCNA headline]

[Text] Pyongyang, February 14 (KCNA)—Chango Macho, deputy national political commissar of the secretariat of the National Resistance Movement of Uganda, director of the board of the International Institute of the Chuche Idea and director of the board of the African Regional Committee for the Study of the Chuche Idea, made a report on the subject "The Chuche Idea Is a Revolutionary Doctrine Which Indicates the Road of Independent Development and Cooperation of the People" at the international seminar on the chuche idea for the independent development and cooperation of the world people which opened in Uganda on Feb. 10., in the first part of the report he elaborated on the question of eliminating neo-colonialism, a new crafty method of aggression invented by the imperialists, feeling great threat from the rapid growth of the anti-imperialist independent forces after the Second World War.

"Forcing upon the developing countries market opening and liberalisation of foreign trade with the economic 'aid' as the lever is an important feature of the neo-colonial method the imperialists are employing," he noted, adding: "Market opening and liberalisation of foreign trade are, in actuality, for the stronger to overpower the weaker."

"As the reality shows, in consequence of the neo-colonial policy of the imperialists, the developing countries are daily getting poorer and the bipolarization of 'the rich gets richer and the poor poorer' is now expanding worldwide, and this deals a hard blow at the developed capitalist and imperialist countries, too", he stated.

He stressed the need to abolish the old international economic order based on neo-colonialism and establish a new fair one based on democratic principles.

"It is important," he said, "to democratise the international economic relations so that all the countries and all the nations may exercise the sovereignty, irrespective of their size and strength, and disparity in wealth. For this purpose, an end must be put to the unfair old international economic order such as unfair division of labour, dependent trading structure, non-equivalent exchange and predatory monetary and financial system which are forced by imperialism today. If a fair international economic order is to be established, the developing countries must be independent in economy. For this, the developing countries must, first of all, adhere to the principle of self-reliance. They must actively develop South-South cooperation on the principle of collective self-reliance."

In the second part of the report, he stressed the need to establish a fair international political order. "If the developing countries are to be freed from the neo-colonial yoke, it is important for them to have political sovereignty," the reporter noted, and added:

"What is essential to the establishment of political sovereignty is to unite the popular masses as an independent political motive force capable of shaping their destiny by their own efforts with an independent fighting target."

The reporter quoted His Excellency Kim Chong-il as saying:

"The decisive guarantee of victory in the revolutionary struggle and constructive work is to strengthen the party, the general staff of the revolution, and closely unite the masses of people around the party and the leader and thus reinforce the driving force of the revolution."

He noted:

"Unity is the life and soul of an independent driving force and the source of its invincible strength.

"The imperialists who are seeking economic subjugation and political domination are most afraid of the unity of the popular masses into one independent motive force and resort to the splittist moves to obstruct it. One of such manoeuvres of the imperialists is the 'multiparty parliamentary democracy' of Western style forced on the developing countries.

"The 'multiparty parliamentary democracy' is the application of the principle of free competition to the political arena, which is aimed at setting up a political domination system commensurate with the economic domination system.

"What the people of the developing countries need is not 'multiparty parliamentary democracy' of the West but an independent political system which can ensure the unity of patriotic forces under the banner of independence against imperialism.

"Therefore, the people of the African countries should develop by themselves a political formula conducive to the unity of all the patriotic forces in conformity with the specific conditions of their countries. What is important here is to reject the interference of all outside forces in their internal affairs and establish a democratic order strictly defending the sovereignty of each country in the international community. All the countries should reject any privilege and interference in other's internal affairs ignoring the principle of fairness and international justice in the international relations and develop friendship and unity and cooperation on the principle of equality and mutual benefit."

In the third part, the reporter said that all the victories and achievements of the Korean people in building a new independent society are results of the application of the chuche idea.

"The reality of Korea proves that the chuche idea which regards independence as the life and soul of the country and the nation and sets it as the basic way of building a new society to strengthen the motive force and enhance its role is, indeed, the guiding idea of the revolution and construction with invincible vitality," the reporter noted, and said:

"We should make sincere efforts for the building of a new independent society by creatively applying the universal truth of the chuche idea to the specific conditions of our countries and strengthen international cooperation among the peoples aspiring after independence. We should resolutely oppose the moves of the imperialists and the reactionaries who are obstructing the reunification of Korea and wage a more powerful international solidarity movement in support of the reunification of Korea."

Mideast Parties Hold DPRK Solidarity Meeting

SK1402050894 Pyongyang KCNA in English 0458 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—A meeting of the political parties and forces in the Middle East region for solidarity with the Democratic People's Republic of Korea was held in Syria on February 8.

The meeting was attended by representatives of more than 20 political parties and forces.

The director of the International Affairs Department of the Communist Party of Syria who is member of the Political Bureau in his speech said international solidarity should be extended to Korea which stands with dignity against the United States which tries to force it to open its military sites.

Just is the stand of Korea that it can never concede its sovereignty and not open its military sites, he stressed.

He said the United States must come out again to talks with Korea and, by responding to the demand of Korea that the double standard be discarded and the nuclear issue of the Korean peninsula be solved comprehensively, it should help to secure stability in this region and realise a peaceful reunification of Korea.

A solidarity message to the great leader President Kim Il-song was adopted at the meeting.

The meeting adopted letters to the U.S. president, the U.N. secretary general and the board of governors of the International Atomic Energy Agency.

Papers Mark Anniversary of Ties With Morocco

SK1302090594 Pyongyang KCNA in English 0820 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—Papers here today observe the fifth anniversary of the opening of diplomatic relations between Korea and Morocco.

A by-lined article of NODONG SINMUN says the establishment of diplomatic relations between Korea and Morocco was a manifestation of the aspirations and desire of the two peoples to deepen mutual understanding and trust.

It goes on:

The friendly relations between the governments and peoples of the two countries are developing favorably.

The development of friendly and cooperative relations between Korea and Morocco is beneficial to the strengthening and development of the non-aligned movement and to the building of a new society in the two countries.

The Korean people believe that the friendship with the Moroccan people will develop on good terms in the future, too.

MINJU CHOSON in a by-liner notes that after the independence the Moroccan people have made strides forward in their struggle to consolidate the national independence and build a prosperous new society.

The Korean people are rejoiced at the strides made by the Moroccan people in their efforts to build a new society, and sincerely wish them greater success in the future, says the paper.

Delegate Speaks at Nepal Disarmament Meeting

SK1402113994 Pyongyang KCNA in English 1007 GMT 14 Feb 94

["'Nuclear Issue of Korean Peninsula Must Be Solved in Package Deal'"—KCNA headline]

[Text] Pyongyang, February 14 (KCNA)—The head of the delegation of the Democratic People's Republic of Korea, speaking at the plenary session of the meeting for disarmament in the Asia-Pacific region held in Nepal on January 31, clarified the DPRK's principled stand and views on disarmament.

He said that in order to ensure peace, security and disarmament on the Korean peninsula, it is imperative to replace the Korean Armistice Agreement with a peace agreement.

Noting that Korean reunification is a basic guarantee for peace and security on the peninsula, he said the way of national reunification is to establish a unified state through confederacy based on one nation, one state and two systems and two governments in accordance with the three principles of independence, peaceful reunification and great national unity.

He outlined the essence of the nuclear issue of the Korean peninsula the reason why it should be solved between the DPRK and the United States and the significance of the talks.

Pointing out that the nuclear issue on the Korean peninsula must be solved in a package deal, he stressed that the problem can not be solved by power politics and pressure and they may bring the situation to a hopeless phase.

He said that if the United States truly hope for a solution to the nuclear issue on the peninsula, it must discard its thinking- pattern of the Cold War.

Indian Groups Issue Joint Statement on Korea

SK1502131294 Pyongyang KCNA in English 1025 GMT 15 Feb 94

["'There Is Not a Single Nuclear Weapon in the North of Korean Peninsula'"—KCNA headline]

[Text] Pyongyang, February 15 (KCNA)—Twentyfour public organizations including the all India Indo-Korean Friendship Association, the Indian Committee for Supporting Korean Reunification and the All India Peace and Solidarity Organization and 31 parliamentarians including communist member of the parliament Indrajit Gupta and member of the parliament from the People's Party Shandrajeet Yadav made public a joint statement on February 8 reaffirming that there is not a single nuclear weapon in the North of the Korean peninsula and so, any kind of inspection is unnecessary.

Recalling that the United States, instead of seeking a negotiated solution to the nuclear issue on the Korean peninsula, has unilaterally broken up dialogue and even sent an ultimatum to the DPRK threatening it with "sanctions," the statement said it is a scheme to stifle the socialist system of the DPRK and destroy its independent national economy.

Noting that the nuclear issue on the Korean peninsula was caused by the United States' deployment of nuclear weapons in South Korea, it strongly urged the United States to immediately withdraw its nuclear weapons from South Korea.

The statement called upon the Indian and world peace-loving people to lift up louder voices of justice for thwarting the moves of the U.S. warmaniacs against the DPRK.

DPRK, Foreign Officials Hold Meetings Abroad

SK1302135894

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 1300 GMT on 11 February reports overseas meetings between DPRK and foreign officials.

According to the radio, in Namibia on 3 February Moses M. Garoeb, general secretary of the South West Africa People's Organization of Namibia, met with a Workers Party of Korea (WPK) delegation led by Yi Chi-su, president of the DPRK Chuche Idea Academy.

In Indonesia on 8 February, Harmoko, general secretary of the Indonesian Professional Workers Party Central Executive Committee, met with a WPK delegation led by Kim Yang-kon, deputy director of a WPK Central Committee department.

In Venezuela on 3 February, Argelia Laya, president of the Venezuelan Movement to Socialism Central Committee, met with DPRK Ambassador to Venezuela (Kim Sung-yong).

In Sweden on 5 February, (Frank Baure), chairman of the Swedish Communist Party of Marxist-Leninist Revolutionaries Central Committee, met with DPRK Ambassador to Sweden (Yom Kyong-sik).

Foreign Party Leaders Receive DPRK Ambassadors

SK1502152394 Pyongyang KCNA in English 1505 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—Foreign party leaders recently received Korean ambassadors and expressed support for the just cause of the Korean people.

The general secretary of the People's Party of Pakistan, Rafiq Ahmad Sheikh, declared that the Pakistani Government and people will as ever fully support the principled stand of the Workers' Party of Korea [WPK] and the government of the Democratic People's Republic of Korea for achieving the independent and peaceful reunification of the country without foreign interference and solving the nuclear issue on the Korean peninsula through DPRK-U.S. talks.

The president of the Socialist Progressive Party of Lebanon, Walid Jumblatt, voiced support for the efforts of the WPK and the Korean people for reunifying the country through confederacy in accordance with the three principles of national reunification and solving the nuclear issue on the Korean peninsula through DPRK-U.S. talks.

The general secretary of the People's Unity Party (Unionist) of Jordan, Talal Hafun Ala Mai, said the Korean people, under the wise guidance of His Excellency Kim Chong-il, are undaunted by the imperialists' pressure and blockade. He expressed the belief that the Korean people will surely win the struggle against imperialism.

"I will regard it as my obligation to support the Korean people's cause of national reunification," he added.

The general chairman of the Central Direction Council of the Golkar Party of Indonesia, Harmoko, received a delegation of the WPK on February 8. He said it is natural that Indonesia, a member nation of the Non-Aligned Movement, expressed support for the solution of the nuclear issue on the Korean peninsula.

Radio Reports Workers Party Activities 11, 12 Feb

SK1302140294

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean on 11 and 12 February reports on activities of the Workers Party of Korea (WPK) at home and abroad.

At 1300 GMT on 11 February, Pyongyang radio reports on the return of a WPK delegation led by (Pak Kyong-sun), deputy director of a WPK Central Committee department, on 11 February after participating in the national congress of the Communist Refoundation Party of Italy and the 28th Congress of the French Communist Party. According to the report, the delegation was received at the airport by Chi Chae-yong, deputy director of a WPK Central Committee department.

At 1500 GMT on 12 February, Pyongyang radio reports on talks between a WPK delegation and a Uruguayan Communist Party delegation on 12 February in Pyongyang, adding that Hwang Chang-yop, secretary of the WPK Central Committee, and Chi Chae-yong, deputy director of a WPK Central Committee department, were present at the talks.

World Federation of Trade Unions Adopts Resolution

SK1502132594 Pyongyang KCNA in English 1028 GMT 15 Feb 94

["'Nuclear Issue on the Korean Peninsula Must Be Solved Through DPRK-U.S. Talks'"—KCNA headline]

[Text] Pyongyang, February 15 (KCNA)—A resolution on Korea was adopted at a meeting of the presidential council of the World Federation of Trade Unions [WFTU] on February 4.

The resolution expressed deep concern over the fact that the situation of the Korean peninsula has become acute due to the political, economic and military pressure of the imperialists and the reactionaries to isolate and stifle the Democratic People's Republic of Korea under the pretext of the "nuclear problem."

It said:

"The meeting of the presidential council of the WFTU bitterly denounces all the moves of the imperialists against the DPRK and holds that the nuclear issue on the Korean peninsula must be solved peacefully through the DPRK-U.S. talks, not by pressure or threat.

"The meeting expresses full support and solidarity for the Korean workers and people in their struggle for reunifying the country through confederacy based on one nation, one state, two systems and two governments in accordance with the three principles of independence, peaceful reunification and great national unity."

Reportage Surrounding Kim Chong-il's Birthday

Birthday Celebrated Abroad

SK1502124294 Pyongyang KCNA in English 1021 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—Celebration meetings were held in different countries on the birthday of the dear leader Comrade Kim Chong-il.

A meeting was sponsored by the Pakistan-Korea Friendship Association in Islamabad on February 9.

Speaking at the meeting, general secretary of the Pakistan People's Party Rafiq Ahmad Sheikh said:

"The dear leader His Excellency Kim Chong-il is deeply respected not only by the Korean people but also by the Pakistani people.

"He has made all efforts for world peace and security and for the happiness and prosperity of the world progressive people."

The minister of state for finance and economy, Makdoom Shahibdeen, said in his speech:

"The Korean people have registered miraculous achievements in all fields of politics, economy and culture under the wise leadership of His Excellency Kim Chong-il.

"The Pakistani Government will further strengthen cooperation with the Democratic People's Republic of Korea in the political, economic and cultural fields in the future."

A meeting was held in the building of the Socialist Party of Peru on February 7.

Addressing the meeting, general secretary of the party Luis Mateo Munoz said:

"The dear leader Comrade Kim Chong-il is an outstanding thinker and theoretician, a prominent political activist and the people's leader who has developed and enriched the chuche idea and defended and glorified Korean-style socialism centred on the popular masses, to which the chuche idea is applied.

"Korean-style socialism has become a beacon for the world people aspiring after independence."

Meetings were also held in Maputo under the cosponsorship of the Maputo City Committee of the Frelimo Party (Mozambique Liberation Front Party) and the Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea and at the House of Culture in Cerven Brjag City, Bulgaria, under the cosponsorship of the city council and the Bulgaria-Korea Friendship Association.

Further on Celebrations Abroad

SK1402114694 Pyongyang KCNA in English 1011 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—Celebration functions took place in different countries on the occasion of the birthday of the dear leader Comrade Kim Chong-il.

Meetings to adopt messages of greetings to Comrade Kim Chong-il were held in Petropavlovsk-Kamchatskiy city of Kamchatka region and Moscow city, Russia.

A seminar "His Excellency Kim Chong-il, outstanding thinker and theoretician of the era of independence" was held at the Chuche Philosophy Youth Study Society of Delhi, India.

And meetings were held in Bamako, Mali, and at Agra University in India.

A reading session on the history of the revolutionary activities of Comrade Kim Chong-il was held at the committee of the East Mashonaland Province of the Zimbabwe African National Union-Patriotic Front.

Concluding the reading, S.R. Zakopo, secretary of the provincial committee, said Korea is successfully building socialism of its own style, not wavering in any raging wind, and it is a result of the wise guidance of Comrade Kim Chong-il. "He is a genius of thought and theory, the revolution and construction," he added.

And a Korean book and photo exposition took place in Kampala, Uganda, and a lecture was given in Vrbas County, Yugoslavia.

The Mongolia-Korea Friendship Association formed a preparatory committee for functions celebrating the birthday of Comrade Kim Chong-il and held a meeting, an art performance, a film show, a photo exhibition, a national table tennis tournament for "February 16 Cup" and other colorful functions on the occasion of the February holiday.

Birthday Marked in Zimbabwe

SK1202010194 Pyongyang KCNA in English 2301 GMT 11 Feb 94

[Text] Pyongyang, February 11 (KCNA)—The Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association recently published a joint appeal on significantly celebrating the birthday of the dear leader Comrade Kim Chong-il as the common holiday of mankind.

The appeal noted that Comrade Kim Chong-il is an illustrious leader who enjoys boundless respect and reverence not only of the Korean people but also of the revolutionary people of the world for the immortal exploits and contributions he made for the times and mankind.

The boundless reverence for Comrade Kim Chong-il can be seen in the fact that many units and objects of different countries were named after his august name.

In recent years alone, streets, libraries, classes at schools of different levels and other objects and units in India, Pakistan, Mongolia, Lebanon, Palestine, Madagascar, Zambia, Uganda, Peru, Ecuador, Guyana and other countries have been given his name.

Functions for naming them after Comrade Kim Chong-il were held grandly in those countries.

Members of the State Council of Guyana including the minister of health took part in the function for naming the Guaber Street in Corriverton City Kim Chong-il Street.

The minister of health at the naming ceremony said to have a street named after Comrade Kim Chong-il in Corriverton City was a highest honor for the Guyanese Government and people.

There is the "Dear Leader Kim Chong-il Library" at the Asian Regional Institute of the Chuche Idea in New Delhi, India.

The library is crowded everyday with Indian people of all strata who come to learn from the dear leader.

The Ali Ali School in Karachi, Pakistan, the Onike Primary School of Nigeria, the Kuds School of Palestine and many other schools have classes called by the august name of Comrade Kim Chong-il.

The boundless feelings of reverence for the dear leader are associated with "Kimchongilia", an immortal flower.

"Kimchongilia" is a rare flower which was bred by Mototeru Kamo, a famous botanist of Japan, through his hard work for more than 20 years.

The flower named after the illustrious leader is now in full bloom in more than 50 countries.

Some time ago, the Mozambican president, praising the immortal flower "Kimchongilia", said the fact that a Japanese botanist bred and presented this flower to dear Comrade Kim Chong-il well shows how deep the respect and reverence of the world people for him is.

'Arafat Sends Floral Basket

SK1502132794 Pyongyang KCNA in English 1031 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The dear leader Comrade Kim Chong-il received a floral basket from Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization, on his birthday.

It was handed today to an official concerned by the Palestinian ambassador to Korea, Shahir Mohammed.

Cuban Envoy Hosts Reception

SK1502050994 Pyongyang KCNA in English 0448 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—Juan Jose Leon Vega, Cuban Ambassador to Korea, Monday hosted a reception in celebration of the birthday of the dear leader Comrade Kim Chong-il.

The ambassador in his speech said the dear leader Comrade Kim Chong-il is energetically leading the overall affairs of the party and the state. "The new looks taken on by Pyongyang and many miracles wrought in all parts of the country are a brilliant fruition of his wise guidance," the ambassador stated.

"All the moves of the imperialists against the Democratic People's Republic of Korea," he said, "will be frustrated by the might of the Korean people united in one mind behind the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il."

The ambassador further said:

"As they have great parties and great peoples and, notably, as they are guided by Comrade Kim Il-song and Comrade Fidel Castro Ruz, great leaders, Cuba and Korea will win surely."

He said the party, government and people of Cuba fully support the Korean people's just cause of the independent and peaceful reunification of the country, adding: "This support will be expressed continuously till the 70 million Korean people have raised stormy cheers of reunification at the Kim Il-song square."

Kang Song-san, Politburo member of the Central Committee of the Workers' Party of Korea and premier of the Administration Council, in his speech said the dear leader Comrade Kim Chong-il has performed undying feats for the country and the nation, the times and mankind with his outstanding ideological and theoretical activities and wise guidance.

"Seeing the complicated and tragic developments in the international arena in recent years, the Korean and the Cuban people felt more keenly than anyone else the national pride and honor of making revolution under the guidance of great and illustrious leaders," he said, and continued:

"We express firm solidarity with the Cuban people, noting with high appreciation that they, rallied close around Comrade Fidel Castro, the supreme leader of their revolution, invariably abide by the revolutionary principle and advance along the road of socialism, courageously overcoming difficulties and trials.

"The Cuban people's cause of defending the motherland and revolution and socialism will certainly end in victory.

"We will make every effort to further deepen the bonds of friendship, solidarity and unity with the Cuban people, true to the instructions of the dear leader Comrade Kim Chong-il that the friendly and cooperative relations between the two countries should be held dear."

Invited to the reception were Kim Yong-nam, Politburo member of the WPK Central Committee and vice premier of the Administration Council and foreign minister, Hwang Chang-yop, secretary of the WPK Central Committee, Chang-chol, vice premier of the Administration Council, and others.

Economic Corps Sends Flowers

SK1402121294 Pyongyang KCNA in English 1014 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—The dear leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the corps of economic and commercial counsellors here on the occasion of his birthday.

The floral basket and congratulatory letter to Comrade Kim Chong-il were handed to an official concerned by doyen of the corps Yevgeniy Bilim who is commercial representative of the Russian Federation on February 14.

Diplomatic Corps Sends Flowers

SK1402121794 Pyongyang KCNA in English 1044 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—The dear leader Comrade Kim Chong-il was presented with a floral basket by the diplomatic corps here on his birthday.

The floral basket was handed today to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, by Syrian Ambassador Yasir Farah, doyen of the diplomatic corps.

The doyen said that the Korean people are registering great achievements in the socialist construction because they have Comrade Kim Chong-il as their leader.

Noting that the Korean-style socialism centred on the popular masses where the leader, the party and the masses are united in one mind is making a long drive under his wise leadership, he said that the Korean people, guided by the dear leader Comrade Kim Chong-il, are invincible.

Military Attaches Send Flowers

SK1402121494 Pyongyang KCNA in English 1016 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—The dear leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the military attaches corps in Korea on the occasion of his birthday.

They were handed today to Choe Kwang, chief of General Staff of the Korean People's Army, by military attache of the Russian Embassy Georgiy Mariyasov, doyen of the military attaches corps.

Georgiy Mariyasov on the occasion warmly congratulated Comrade Kim Chong-il on his birthday on behalf of the military attaches corps here and sincerely wished him greater success in his work for socialist construction and the strengthening of national defence power in Korea and for the reunification of the country.

Vice-Premier at Building Opening

SK1502050594 Pyongyang KCNA in English 0436 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The newly-built Pyongyang bowling gymnasium "gold line" opened on the threshold of the birthday of the dear leader Comrade Kim Chong-il.

Situated on a scenic bank of the River Taedong, the gymnasium with a floor space of 14,300 square metres has 40 bowling alleys controlled by latest-type computers and different kinds of amusement facilities, saunas, a restaurant, a shop and other service facilities. The gymnagium is available for international games.

An opening ceremony was held on Monday.

Present there were alternate Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and Vice-Premier of the Administration Council Hong Song-nam, Secretary of the WPK Central Committee Kim Chung-nin, other senior officials and officials concerned, soldiers who took part in the construction of the gymnasium, working people and students in the city.

A bowling delegation of the General Association of Korean Residents in Japan (Chongnyon) led by Kwon Yong-sok who is a trader-manufacturer under Chongnyon, Chongnyon officials and Koreans from Japan were also present.

Leaders Attend Photo Exposition

SK1302095194 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 8 Feb 94

[Excerpt] The opening ceremony of the Central Photo Exposition celebrating the birthday of Comrade Kim Chong-il, the dear leader of our party and people, was held at the Youth Central Hall on the morning of 8 February. Comrade Kim Ki-nam, secretary of the Workers Party of Korea Central Committee; Comrade Chang Chol, vice premier of the State Administration Council and minister of culture and art; and functionaries of sectors concerned participated in the opening ceremony with the working people of the city. Comrade Kim Ki-nam delivered an opening speech at the ceremony. [passage omitted]

Leaders Attend Youth Soiree

SK1502143294 Pyongyang Korean Central Broadcasting Network in Korean 1230 GMT 15 Feb 94

[Excerpts] The Young Vanguards' Songs of February, a soiree of the youth and students of Pyongyang celebrating our party's and our people's dear leader Comrade Kim Chong-il's birthday, the most felicitous national holiday, was held at Youth Central Hall on the evening of 15 February. [passage omitted]

Present at the soiree were Comrade Choe Tae-pok, candidate member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee; Comrade Kim Chung-nin, secretary of the WPK Central Committee; Comrades Kim Pok-sin and Chang Chol, vice premiers of the State Administration Council; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; responsible functionaries of party and power organizations, administrative and economic organizations, and working people's organizations; vice marshals, officers, and men of the Korean People's Army; and responsible functionaries of science, education, culture and art, publishing, and press sectors.

Visiting foreign guests and members of delegations of foreign parties were invited to the soiree. [passage omitted]

Youth Loyalty Festival Begins

SK1302085894 Pyongyang KCNA in English 0805 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—The Ninth National Festival of Loyalty of Youth and Children opened on the occasion of the significant February holiday.

The festival will mark a good occasion in closely rallying the youth and children throughout the country behind the dear leader Comrade Kim Chong-il and firmly preparing them as the party's dependable young vanguard of defending, carrying forward and developing brilliantly the cause of socialism, the revolutionary cause of chuche.

It will be held in the form of celebration functions, meetings, contests, games and competitions till mid-April, divided into political, economic, art and sports festivals.

Its opening ceremony took place at the Central House of Youth here on February 12.

Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea, Chang Chol, vice-premier of the Administration Council, and officials concerned were present there with officials of the League of Socialist Working Youth of Korea, youth and students in the city.

Agricultural Union Marks Birthday

SK1502050894 Pyongyang KCNA in English 0440 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—A symposium of officials of the Union of Agricultural Working People of Korea was held in Pyongyang on February 14 to mark the auspicious holiday of February.

At the symposium speeches were made to exalt the exploits of the leadership of the dear leader Comrade Kim Chong-il.

Speakers said that Comrade Kim Chong-il is the genius of thought and theory who is glorifying the chuche idea of the party as the guiding idea in the era of independence. He gave a comprehensive exposition of the philosophical principle, socio-historical principles and guiding principles of the chuche idea, perfected the revolutionary theory of chuche and the method of leadership by applying them and gave flawless answers to all the theoretical and practical questions raised by the revolutionary practice at the present time, the speakers noted, and stressed:

Comrade Kim Chong-il has performed immortal exploits for the times and history by powerfully organising and mobilizing our people and creditably carrying forward and accomplishing the socialist cause with his matchless tested ability of leadership.

Speakers called for building up the Union of Agricultural Working People of Korea into an organisation which upholds the cause of the party and the leader with loyalty and actively contributes to the struggle for the final victory of the revolutionary cause of chuche.

Trade Unions Pledge Loyalty

SK1502053294 Pyongyang KCNA in English 0451 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—Officials of the General Federation of Trade Unions, the Union of Agricultural Working people and the Democratic Women's Union of Korea respectively met to pledge loyalty Monday on the occasion of the auspicious February holiday.

At the meetings the participants, led by precentors [as received], made their steadfast pledge to remain loyal and filial to the dear leader Comrade Kim Chong-il.

Noting that they owe the present and a more prosperous future of Korea to Comrade Kim Chong-il, a great thinker and theoretician, statesman, ever-victorious military strategist and genuine leader of the people possessed of literary and military accomplishments and loyalty and filial piety, they vowed to defend and exalt Korean-style socialism by the might of close single-hearted unity behind the party.

They also vowed solemnly to build the unions into ranks faithful to the party, the leader and the cause of socialism, upholding the leadership of the party with loyalty, so as to creditably discharge their mission and duty as the reliable helper and defender of the party.

International Figure Skating Contest

SK1302082894 Pyongyang KCNA in English 0816 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—The third Paektusan Prize International Figure Skating Contests opened Saturday in Pyongyang on the occasion of the birthday of the dear leader Comrade Kim Chong-il.

Figure skaters from Russia, Bulgaria, Uzbekistan, Ukraine, Hungary, China, the Czech Republic, France, Finland, Poland and Korea are participating in the contests.

Vice President and Politburo member of the C.C. [Central Committee], Workers' Party of Korea Pak Song-chol, Secretary of the C.C., the WPK Kim Chung-nin, Vice Premier of the Administration Council Chang Chol and other officials concerned and working people in the city were present at the opening ceremony.

Also present were foreign diplomatic envoys in Korea and foreign visitors in Pyongyang.

The opening ceremony was followed by the first-day contests.

They will continue till February 16.

Films Open Celebrating 16 Feb

SK1402055794 Pyongyang KCNA in English 0505 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—A week of film show began from Sunday at all cinema houses of the country to celebrate February 16 fete.

Screening in this week are documentaries including "Lodestar of Packtu" and "Great Paragon" showing the glorious revolutionary activities and leadership exploits of the dear leader Comrade Kim Chong-il and feature films including "Japanese Invasion in 1592" (Part 2), "Daughter of War Veteran," "Posimrok," "Unattached Unit" and "The Nation and Destiny."

The films impressively show the national pride and self-confidence of our people vigorously advancing under the guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il and the advantages of the Korean style socialism centering on the popular masses.

Opening ceremonies were held in all provinces, cities and county seats on February 13.

Country in 'Festive Mood'

SK1502124994 Pyongyang KCNA in English 1008 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The 16th of February is a significant day when the dear leader Comrade Kim Chong-il was born.

The whole country is now seething with a festive mood to meet the auspicious day.

Posters and picture-boards are put up and various decorations installed in streets in the capital city of Pyongyang and in provinces, cities and counties, bringing the jubilant atmosphere into bolder relief.

Kinds of flowers which have blossomed earlier than in the season in bustling streets, villages and families in cities are adding joy to the people greeting the holiday.

An endless stream of people are visiting the old home at Mt. Paektu secret camp, the time-honored holy place of revolution where Comrade Kim Chong-il was born, and Kim Il-song University and such revolutionary sites as Chang Hill, Ihyon and Hasin to learn from his revolutionary history and immortal feats.

Working people throughout the country are greeting the meaningful day with great successes in labor.

Working people at industrial establishments under the State Light Industry Commission, the Ministry of Chemical Industry and the State Fisheries Commission are these days overfulfilling their daily plans by 10 to 20 percent.

The Korean Garment Company under the Pyongyang Municipal General Bureau of Garment Industry and Garment Factories under the Unha General Bureau of Trade are making a new advance in processing trade, improving the level of processing and catering to the diverse tastes of customers with various decorations.

Agricultural working people across the country are making preparations for new year's farming at the final stage with a resolve to bring about bumper crops this year, too.

Colorful functions were held or are being held amidst the elevated zeal of the working people.

Symposiums on the greatness of Comrade Kim Chong-il were held and a national photo exhibition and an art show opened to celebrate February 16.

Documentary films "Glorious and Brilliant Old Home of Mt. Paektu," "Faith of Korea," "May Chong-il Peak Shine" and "Brilliant Bosom of Life" and feature films "The Nation and Destiny," "The Man Who Is Always Remembered," "Guarantee," "The Daughter of a Veteran Soldier," etc. are being screened at cinema houses across the country since the week of film shows were opened.

Stadiums and gymnasiums in Pyongyang and local cities are animated by games including the traditional games for Paektusan prize which is held annually.

Peculiar performances are given by artistes and youth and students at theatres and halls drawing working people of all walks of life.

Kim Chong-il Sends Thanks to Trading Company

SK1302085594 Pyongyang KCNA in English 0802 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army, extended thanks to the officials of the Yongsong Trading Corporation, Sinjin Joint Company and Namhae Trading Corporation who participated in the manufacture of latest-type comprehensive broadcasting facilities, and saw to it that the facilities were sent to People's Army units.

Those who received thanks have made some 200 sets of comprehensive broadcasting equipment with an amplifier, a recorder, a mike, a sound conditioning device and a loudspeaker which would be conducive to the politico-ideological education and cultural and emotional life of the People's Army soldiers

Kim Chong-il Sends Thanks To Work Units

SK1502044594 Pyongyang KCNA in English 0432 GMT 15 Feb 94

[Text] Pyongyang, February 15 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the officials and working people of different units including the Toksong County Party Committee, the Songchongang General Industrial Goods Shop in Hamhung City, the Hamhung Bag Production Cooperative, the Industry Press Group, the Ministry of Chemical Industry, the Kaechon General Bureau of Railway, and the Taedonggang Battery Factory who had set examples in assisting the People's Army.

The officials and working people of these units stiffened the militant morale and enthusiasm of soldiers by actively assisting the People's Army.

The speakers at the meetings for conveying his thanks said that the unity between the Army and people is the source of invincible strength in defending and glorifying the Korean-style socialism from aggression and challenge of the imperialists and they would more actively assist the People's Army.

Comrade Kim Chong-il sent thanks to the officials and working people in Pyonggang County, Kangwon Province, who distinguished themselves in the building of a reservoir and the People's Army soldiers who helped the project.

He named the reservoir "Army-People Reservoir".

Kim Chong-il's Development of Army Praised

SK1202142794 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 6 Feb 94

[Unattributed talk: "Our People's Army Which Upholds the Great Commander at the Helm Is Ever-Victorious and Invincible"]

[Text] Our party strengthened and developed the People's Army into a one-a-match-for-100 revolutionary force under the wise leadership of the dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army and chairman of the DPRK National Defense Commission. Therefore, the People's Army is firmly defending socialism of our own style at the most acute confrontation place of the revolution and antirevolution, and socialism and imperialism, and is vigorously advancing for the ultimate completion of the fatherland's reunification and the chuche revolutionary cause.

Even amid the vortex of a complicated and severe situation as today, socialism of our own style is firmly standing deep in the core of the earth, and our party and the people are constructing socialism and communism with confidence. This is because they highly upheld the dear comrade leader, who strengthened and developed the People's Army into a one-a-match-for-100 revolutionary force, as the great commander at the helm.

More than anything else, the dear comrade leader provided a programmatic guideline which must be firmly adhered to and advanced to strengthen and develop the People's Army into an ever-victorious and invincible revolutionary force.

The dear leader Comrade Kim Chong-il wholly elucidated the revolutionary essence, basic demand, and method of realizing the slogan of one-a-match-for-100 which was presented by the great leader Comrade Kim Il-song. Thus, he clearly clarified the road to strengthening the People's Army into a one-a-match-for-100.

The dear comrade leader regulated that the basis in strengthening the People's Army into a one-a-match-for-100 is to prepare the soldiers well, and he also regulated that preparing the soldiers is in essence a political, ideological, military, technical, and physical preparation.

A soldier is the most important element of military strength, and a decisive element of the armed struggle. Weapons are important in a war but the master using it are through and through the soldiers. The might of an army and victory or failure in a war are decided upon not by weapons but by men. When all soldiers are firmly prepared politically, ideologically, militarily, technically, and physically, can the army come to the fore as a group of fighters who move swiftly and as an ever-victorious and invincible revolutionary force that has an invincible commander who can cope with one-a- match-for-100.

The dear comrade leader also modernized the armed equipment of the People's Army, and elucidated that making the military camp into an impregnable fortress is a fundamental demand in implementing the slogan of one-a-match-for-100. The armed equipment must through and through be developed in a chuche-oriented way in conformity with the situation of their country, must be highly modernized, and the military camp must be maintained into an impregnable fortress.

As such, the dear comrade leader profoundly elucidated the revolutionary essence, basic demand, and method of realizing the militant slogan of one-a-match-for-100. Thus, a programmatic guideline which must be adhered to permanently was provided in strengthening the militant strength of the People's Army.

The dear leader Comrade Kim Chong-il also strengthened and developed the People's Army into an invincible party's army that is possessed with an absolutely perfect trait of an army of the leader, army of the party, and army of the people.

The dear leader Comrade Kim Chong-il has pointed out: Amid the arduous trials of the revolution, our People's Army was trained into an iron-willed rank which is firmly possessed with the party's unitary ideology system.

Our party's greatest honor and pride is having the People's Army that resolutely advocates and defends the party and the leader and that implements to the end the party's order and instructions even through fire and water.

In accordance with the new high demand of the development of our revolution and army construction, the dear comrade leader presented the program of modeling the whole Army after the chuche idea and intensified the work of establishing the party's unitary ideology system in the People's Army. With the presentation of the program of modeling the whole Army after the chuche idea and by thoroughly implementing it, our revolutionary force created by the great leader has been strengthened and developed into an army of the leader forever, and it has been possible for the People's Army to fulfill its lofty mission of firmly advocating and defending through arms the ultimate victory of the chuche cause under the leadership of the dear comrade leader.

Today, a chuche-oriented leadership system in which the whole Army is moving as one person under the party's unitary leadership firmly stands within the People's Army, all the soldiers regard the slogan, "What the party decides, we will do," as their faith, they are willing to sacrifice their youth and lives if it is for the party and the leader, and they are living and struggling with the soldier spirit of jumping into water and fire if it is an order made by the party.

Thus, the party and the Army are linked as one today and the People's Army has been strengthened and developed into the ever-victorious invincible army of the party which shares destiny with the party forever on the single road of revolution.

The dear leader Comrade Kim Chong-il also strengthened the military might of the People's Army in every way and thus fostered our revolutionary armed forces into a unrivaled strong army.

The dear comrade leader, regarding intensification of combat training as a basic key to preparing the People's Army to be an one-match-for-a-100 army, energetically led so that soldiers are firmly prepared militarily, technically and physically through such training.

The dear comrade leader put forward the five-point training policies and training principles, as well as basic demands and tasks that should be resolved in training, so that combat training is intensified. He saw to it that all soldiers thoroughly implement the party's training policy with chuche-oriented outlook on training and establish the trait of anti-Japanese guerrilla-style training and that a revolutionary turn is registered in combat training.

By directing keen attention to the work pertaining to organization of training, the dear comrade leader had a thorough comprehension of the real condition in organization of training within the People's Army and a deep understanding of defects revealed from this condition. By establishing revolutionary measures, he saw to it that combat training is conducted in accordance with characteristics of each military branch and service and with the degree of soldiers' preparedness. Thus, he made combat training a course for soldiers to have practical knowledge useful for actual combat.

With a view to enhancing the qualitative standard of combat training, the dear comrade leader saw to it that various mass movements, including the movement to win the red banner of three revolutions, are carried out in close combination with combat training. In particular, he led soldiers so that they can better make military and technical preparations, as well as physical preparation.

Combat training has been vigorously carried out within the People's Army under the wise leadership of the dear comrade leader. As the result, all soldiers came to have smart and sagacious tactics, master marksmanship and iron-clad physical strength. Thus, they became reliably prepared as one-a-match-for-100 fighters capable of smashing any strong enemy at a stroke.

In addition to preparing soldiers to be one-a-match-for-100 fighters, the dear comrade leader wisely led the work of constantly modernizing arms and equipment and of fortifying the military encampment.

The dear comrade leader put forward a wise policy for modernizing arms and equipment with our own strength and according to our practical situation, and energetically led so that the work is thoroughly implemented.

The dear comrade leader saw to it that the might of arms and equipment of the People's Army is increased many more times by modernizing them with our own strength and in our own style, and in accordance with practical situation in our country. He put forward a profound plan to simultaneously upgrade onto a modern standard arms and equipment of not only one specific branch and service but also of all branches and services including the army, air force, navy, artillery, tanks corps, and communications branch. Thus, he carried out a bold operation that cannot be found in any history of the building of the military in the world nations.

Under such a wise leadership by the dear comrade leader, our People's Army has been strengthened and developed into a powerful army equipped with modern arms and equipment.

Military delegations from foreign countries, who attended the military parade held to mark the 60th anniversary of the founding of the KPA, were struck with admiration for the fact that the People's Army is equipped with ultramodern weapons and all arms and equipment were domestic products. Head of a foreign military delegation said with admiration that even with armed forces mobilized in the military parade, one can carry out a large-scale war and win victory.

The dear comrade leader also wisely led the work of fortification of military encampment. The dear comrade leader saw to it that the work of fortification of military encampment is carried out not only as the work of the People's Army but also as that of entire party, the whole nation and all the people. Besides, he saw to it that the whole nation is firmly fortified so that manpower and firing positions not only in frontline area but also every place throughout the country can be reliably protected from any modern firing means and that any enemy who may sneak in with superior forces be smashed in all places in a one-a-match-for-100 manner.

As the result of this, all soldiers of the People's Army have been firmly prepared militarily, technically and physically; arms and equipment have been modernized at a high level, and military encampment has been fortified. Thus, the People's Army has been fostered to be an unrivaled indomitable army. All this is attributable to the fact that the People's Army is upholding the dear leader Comrade Kim Chong-il at its van as the great sagacious commander.

Under the wise leadership of the dear comrade leader, our People's Army has been strengthened and developed into one-a-match-for-100 revolutionary army with traits as the army of the leader, of the party and of the people both in name and reality and with indomitable military power. As the result, a reliable guarantee is provided for firmly defending our-style socialism and for expediting the historic cause of national reunification.

Indeed, by upholding the dear leader Comrade Kim Chong-il as supreme commander of the KPA and as chairman of the nation's Defense Commission, our People's Army today has been strengthened and developed into invincible ever-victorious revolutionary armed forces.

Examples of Kim Chong-il's 'Loving Care' Noted

SK1502054194 Pyongyang KCNA in English 0429 GMT 15 Feb 94

["Wealth Serves People in Korea"—KCNA headline]

[Text] Pyongyang, February 14 (KCNA)—All the lines and policies shaped in the Democratic People's Republic of Korea wholly serve for defending the interests of the people. All the wealth of the nation is used solely for the promotion of the welfare and health of the people.

This is an eloquent proof of the politics of love for the people pursued by dear Comrade Kim Chong-il who put up the people as the most beautiful and excellent beings in the world and deeply worships them.

The Pyongyang Maternity Hospital called the cradle of happiness is associated with the great love of Comrade Kim Chong-il for the people.

One day when the construction of the hospital was progressing in the finishing stage, Comrade Kim Chong-il acquainted himself with the inventory of the equipment of the hospital and its interior designs. Learning that the floors of some corridors were designed to be covered with artificial stones, he gave instructions to pave all the corridors and stairways with marbles, saying that the hospital was a palace for the "king" of the country and marbles must not be spared for it. He earnestly said that, although its construction costed a great deal, we should spare nothing for the children and it should be decorated with jewels.

Under his loving care, the floor of the central hall of the hospital was adorned with a big "jewel carpet" with pictures of magnolia, camellia, broad bellflower and ginko leaves done with 35 tons of rare natural jewels with a large chandelier with brilliant beads hanging over them.

He holds children dearer than jewels and places the happiness of the working people above money.

One of the legendary stories about the love of humanity on this land is that he blasted ten sintering furnaces at the Nampo smeltering complex years ago. While giving on-the-spot guidance to the complex, he found that a small amount of gas was leaking from the sintering furnaces for non-ferrous metal. Saying that although the sintering furnaces were valuable assets of the country, health of each worker is more precious than wealth, he gave instructions to blow up all of them.

Such politics of love has produced many legendary stories in Korea. To cite a few examples: A mine which held a big share in the nation's ore production, was closed for the environment of a workers' district, a school was set up for two children, military helicopters and special trains were sent for human lives and a large trading ship changed its course to save a crewman from a critical condition while sailing the ocean.

This is why the Korean people are sincerely following Comrade Kim Chong-il, looking up to him as the father of the nation.

Daily Thanks Kim Chong-il for People's Happiness

SK1102114794 Pyongyang KCNA in English 1113 GMT 11 Feb 94

["Great Happiness of Korean People in Having Illustrious Leader as Their Father"—KCNA headline]

[Text] Pyongyang, February 11 (KCNA)—As they have the dear leader Comrade Kim Chong-il as their great father, the Korean people have become a most proud people who have human dignity on the highest level and enjoy a worthwhile life and happiness, says NODONG SINMUN in a by-lined article today.

It quotes the great leader Comrade Kim Il-song as saying:

"Comrade Kim Chong-il is respected and loved by the people as their leader and enjoys a high authority for his leadership ability and traits and his loyalty, devotion, and feats."

The great happiness of the Korean people in having the great father lies in that all of them are growing stoutly as true revolutionaries with noble political integrity and fully enjoying a worthwhile, happy life, the article says, and continues:

It is noble traits of Comrade Kim Chong-il to always pay primary attention to the political integrity of the people and take care of them with paternal affection.

He has put the workers, peasants, intellectuals and all other people in the proud revolutionary ranks and enabled all of them to lead a priceless life as true revolutionaries with valuable political integrity, affiliated with the party and working people's organizations.

It is under his paternal affection that all the working people in our country freely take part in the political life and discharge their obligation for the society and collective with honor.

To do everything he can do not only for the people's socio-political integrity but for their material and cultural life is the noblest traits of the great father, who is fully responsible for the destiny of the people.

Comrade Kim Chong-il, whose love for and trust in the people are his natural disposition, makes all the activities of the party and the state serve the people by shaping lines and policies for them. All the popular policies and measures taken in our country and deep concern and meticulous care of our party and state for all the households and population are a precious fruition of the great father's benevolent politics.

With the people's living standards rising, the dear leader has shown deep care to give them greater joy and happiness. Today our people are firmly convinced of a better future from our party's revolutionary economic strategy unfolded by the illustrious leader.

The great happiness of our people in having the great father also lies in that they live a harmonious life in a great revolutionary family, helping and leading each other forward. Our society, which has formed a great family with Comrade Kim Chong-il as its father, is a land of worthy life of the people never known in history.

It is the unshakable faith and will of our people to remain loyal and devoted to the great father, who is fully responsible for their destiny and future.

Literary, Art Symposium on Chuche Idea Held

SK1402060394 Pyongyang KCNA in English 0518 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—A symposium of literary and art fields was held on Sunday to mark the 20th anniversary of the proclamation of the programme of modelling the whole society on the chuche idea.

The symposium stressed:

The proclamation of the programme of modelling the whole society on the chuche idea (February 19, 1974) was a historic event of weighty significance in our party building and the developing revolution and an immortal banner which indicates the way of accomplishing the cause of communist literature and art.

Modelling literature and art on the chuche idea clarified by the programme raised the general orientation of socialist and communist literature and art building on the basis of the chuche-based idea on literature and art. Herein lie the uniqueness and truth of the programme.

The dear leader Comrade Kim Chong-il has developed in depth the chuche-based literary and art idea, theory and method and thus gave a perfect exposition of all theoretical and practical questions arising in communist literature and art building and brought the literary and artistic doctrine of the working class onto a new stage, which is an immortal exploit to be recorded in human history of literature and art.

Under his energetic guidance a great change was brought about in cinema, opera, drama and all other fields for 20 years in the past, immortal classical masterpieces have been performed in different artistic forms, giving an allround exposition of the theoretical and practical questions in creation and representation including the portrayal of the leader in many literary and artistic works and opening the golden age of chuche-based literature and art.

National Meeting of Health Workers Held 11-12 Feb

SK1302082794 Pyongyang KCNA in English 0813 GMT 13 Feb 94

[Text] Pyongyang, February 13 (KCNA)—A national meeting of active health workers took place here on February 11 and 12.

Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea, and Chang Chol, vice-premier of the Administration Council, were present at the meeting.

The meeting summed up the successes and experiences gained in the production of medicaments and medical appliances in the past upholding the party's intentions and discussed measures to bring about a new innovation in this domain in compliance with the requirements of the developing reality.

A report by Kim Su-hak, minister of Public Health, was followed by speeches at the meeting.

The reporter and speakers said the great leader President Kim Il-song long ago indicated tasks and ways of increasing the production of Koryo (traditional Korean) medicaments and, at the same time, of properly combining koryo medicine and modern medicine and making the Koryo medical treatment methods widely available, and has wisely led this work.

They pointed out that the dear leader Comrade Kim Chong-il has ensured that the production of medicaments and medical appliances suited to the specific conditions of Korea was increased, Koryo medicaments were produced in large quantities and the methods of treatment by them widely introduced in particular so as to improve and strengthen preventive and curative medical care of the working people.

Referring to the great achievements made in the production of Koryo and other medicaments and medical appliances in the past, they said the Koryo medicine has been further developed through the vigorous efforts to increase the production of Koryo medicaments and widely use the methods of Koryo treatment.

They noted that special medicinal herb farms and deer ranches have been built in different parts of the country, Koryo medicine manufactories successfully built in each county and their production increased, the productive foundations of pharmaceutical factories and medical appliance factories further consolidated and high efficacious medicaments and modern medical appliances been produced.

They stressed the need to properly combine Koryo medicine with the modern medicine, markedly increase the production of Koryo medicaments, widely use the methods of Koryo treatment and vigorously conduct scientific researches and technical innovation movement to increase the production of medicaments and medical appliances, upholding the party's intentions.

A resolution was adopted at the meeting.

Monument Marking Revolutionary Site Erected

SK1402060094 Pyongyang KCNA in English 0513 GMT 14 Feb 94

[Text] Pyongyang, February 14 (KCNA)—"Mupo Revolutionary Site," a monument marking a revolutionary site, was successfully built in Mupo, Yanggang Province, a historical place associated with the revolutionary history of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

In May 1939, during the anti-Japanese armed struggle, when President Kim Il-song was organising and commanding offensive operations in Musan area in the northern part of Korea, he bivouacked a night with the main unit of the Korean People's Revolutionary Army in Mupo and visited there again in August 1963 and in June 1972, after the liberation of the country.

Comrade Kim Chong-il who came there on September 4, 1971, elaborated on a far-reaching plan of proclaiming the modelling of the whole society on the chuche idea as the supreme platform of the Workers' Party of Korea [WPK] on the basis of a deep analysis of the historical position and significance of the great revolutionary idea of the respected leader President Kim Il-song and his revolutionary exploits.

In February, 1974, Comrade Kim Chong-il declared the programme of modelling the whole society on the chuche idea on the basis of a scientific penetration into the subjective and objective requirements of the development of revolution in Korea.

The monument marking the revolutionary site was unveiled with due ceremony on the spot Sunday.

Addressing the ceremony, Yi Kil-song, chief secretary of the Yanggang Provincial Committee of the WPK and chairman of the Yanggang Provincial People's Committee, said the immortal revolutionary exploits of the dear leader Comrade Kim Chong-il who proclaimed the modelling of the whole society on the chuche idea as the supreme programme of the WPK and opened the road of a new historical march of the Korean revolution would be immortal and shine long the history of the country.

South Korea

DPRK Reportedly Conferring With IAEA

SK1502102594 Seoul KBS-1 Television Network in Korean 1000 GMT 15 Feb 94

[Text] The International Atomic Energy Agency [IAEA] and North Korea are adjusting their respective final positions regarding the resumption of nuclear inspections. At 1800, our country's time [0900 GMT], Councilor Yun Ho-chin, the working-level delegate of the North Korean side, visited (Pericos), director general of the IAEA Inspection Bureau, and is presently holding a working contact with him. Yun Ho-chin was reported to have delivered the official reply letter from the Pyongyang authorities at today's contact. However, it was not revealed whether North Korea accepted a full-scope inspection or not.

YONHAP Reports Contact

SK1502124094 Seoul YONHAP in English 1232 GMT 15 Feb 94

[Text] Berlin, Feb. 15 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) opened a working-level contact on Tuesday on the issue of nuclear inspection of North Korea, sources at IAEA said. The sources said North Korea asked IAEA on Tuesday morning to have working-level contact. It was the first contact between North Korea and IAEA in 20 days after their last contact took place on last Jan. 25.

Officials of the North Korean Embassy in Vienna carried instructions from Pyongyang to the talks, the source said. But, no contents of the Pyongyang instructions were immediately known. In this connection, IAEA spokesman Hans Meyer said that at the moment he could not confirm nor deny the resumption of the contact.

DPRK, U.S. Narrow Differences

SK1502095394 Seoul YONHAP in English 0830 GMT 15 Feb 94

[Text] Washington, Feb. 15 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) will soon resume talks that deadlocked over the scope of nuclear inspections last month, informed sources in Washington said Tuesday. North Korea has notified the United States of its wish to resume last-minute talks with the IAEA as the Feb. 21 opening of the agency's board meeting nears, the sources said, predicting a breakthrough in the disagreement over nuclear inspections.

Previous talks went nowhere as North Korea flatly opposed full-scale inspections of its seven declared nuclear sites while insisting on limited inspection of the secretive reprocessing facility and reactor at Yongbyon. The North Koreans may show more flexibility on allowing inspections in this round of negotiations, the sources said.

Pyongyang, informing Washington of its intention to resume talks with the IAEA at a recent unofficial meeting, urged the United States to keep its promise to hold a third round of high-level negotiations to discuss suspension of the annual military exercise "Team Spirit" with South Korea and improving bilateral ties. The sources said Pyongyang and Washington have narrowed their differences over nuclear inspections a great deal, but did not elaborate.

There is a possibility that North Korea may accept full-scale nuclear inspections by attaching a number of conditions, but it is uncertain whether it will use that card before the IAEA board meeting or before the end of the month, when the North Korean nuclear matter will likely be referred to the U.N. Security Council if there is no progress on inspections.

After six rounds of unsuccessful talks, North Korea has shunned the IAEA since Jan. 25, accusing the U.N. nuclear watchdog of trying to force complete inspections.

It remains uncertain whether Pyongyang will resume talks with the IAEA and working-level contacts with the United States in New York at the same time.

Possible N-S 'Secret' Meeting in Beijing

SK1402081894 Seoul YONHAP in English 0737 GMT 14 Feb 94

[Text] Beijing, Feb. 14 (YONHAP)—South and North Korea may hold a high-level meeting here around Feb. 21 in order to resolve the North Korean nuclear issue, a Western diplomatic source said Monday.

"Ambassadors Hwang Pyong-tae of South Korea and Chu Chang-chon of North Korea nearly met here through arrangements made by an influential ethnic Korean living in Beijing last November when negotiations between the United States and North Korea were making hardly any progress," the diplomat said. That meeting failed to take place, he said, but chances that the two Koreas will get together behind the scenes are bright because of recent developments, the diplomat said, asking for anonymity.

The United States has said it will refer the matter to the U.N. Security Council unless North Korea and the International Atomic Energy Agency (IAEA) reach agreement on inspections before the IAEA convenes a Board of Governors' meeting on Feb. 21.

According to the source, the South Korean Embassy here received a proposal from the North Korean Embassy in a councilor-level contact urging that they arrange a Hwang-Chu meeting.

The South Korean Embassy has studied the proposal but withheld any decision because North Korea was already in contact secretly with the United States in New York and because the timing was wrong, the diplomat said. In addition, the two Koreas have an existing channel for such contacts, he added.

The source said, however, a view is gaining strength within the South Korean Government that Seoul must determine Pyongyang's true nuclear intentions as its talks with the United States and the IAEA appear to have reached their limit.

Besides, South Korea must know the North's position on the issue because President Kim Yong-sam is expected to discuss it at a summit with Chinese President Jiang Zemin when he visits China in March, the source said. Consequently, there is a strong possibility that Hwang and Chu will hold a secret meeting in Beijing in the near future, the source said.

Dailies Comment on North Korean Nuclear Issue

SK1502115494

[Editorial Report] Local vernacular dailies on 15 February carry articles discussing the North Korean stance in connection with its nuclear issue with the 21 February International Atomic Energy Agency [IAEA] Board of Governors meeting approaching, which reportedly would lead to referring the issue to the UN Security Council and then to sanctions on North Korea by the UN Security Council.

The conservative CHOSON ILBO on 15 February carries on page 4 a 1,000-word article by Ottawa-based correspondent Pak Tu-sik entitled "North Korean Nuclear Issue Heading for the UN Security Council—China and Japan Openly Revealing Their Intention of Seeking Practical Profit." The article refers to the remark made by Japanese Prime Minister Hosokawa at the U.S.-Japanese summit talks held in Washington on 11 February. He is quoted as saying: "If the North Korean nuclear issue is referred to the UN Security Council, Japan will cooperate with the United Nations within the scope that our local laws permit." The article notes that Japan's attitude in attaching a string to the issue suggests that Japan is seeking a reward for its cooperation with the United Nations in dealing with the North Korean nuclear issue. The article then notes the Chinese position of delaying the UN Security Council's moves toward resolving the North Korean nuclear issue and says, "China makes it clear that China does not want the UN Security Council to take up the issue directly. China may not want the North Korean nuclear issue to be referred to the United Nations, which may well create a crisis near China and expose the Chinese position to the judgment of the international arena. Meanwhile, it is also true that China regards the present situation as a golden opportunity to expand its influence on the Sino-U.S. relations and on the Korean peninsula."

The moderate HANGUK ILBO on 15 February carries on page 2 a 600-word article dispatched by reporter Chong Pyong-chin from Washington in the "Reporter's Eye" column entitled "Facsimile Dispatched by Ho

Chong." The article notes two different pieces of North Korean reactions reaching the ROK Foreign Minister Han Sung-chu's Washington field camp dealing with the North Korean nuclear issue around noon on 13 February [EST], one being the North Korean NODONG SINMUN and Central Broadcast's bellicose warning "We will regard any sanctions and pressure on Korea as an act of war provocation," and the North Korean Foreign Ministry spokesman's negotiation-seeking comment "The U.S. Government should make clear its correct position toward the third round of the DPRK-U.S. talks." The article notes that Ho Chong, North Korean representative to the United Nations, sent facsimile of the latter, namely, the North Korean Foreign Ministry spokesman's comment, to the news agencies and even to the residences of correspondents from around the world in Washington. The article notes that North Korea did not show such a kindness for the former, namely, the NODONG SINMUN and the Central Broadcast's warning. The article concludes, "We may be able to discern the North Korean 'nuclear strategy' from the behavior of the North Korean UN mission distributing door to door the 'proposal aimed at negotiation,' instead of the 'warning,' with the deadline for the UN Security Council decision on sanctions approaching only several days away, timing it with the ROK foreign minister's visit to the United States."

The moderate HANGUK ILBO on 15 February carries on page 5 a 1,300-word article by Ottawa-based correspondent Chong Pyong-chin entitled "What Is the True Intent of the North Korean Foreign Ministry Spokesman's Comment—North Korea Tries To Get Open Confirmation of Its Behind-the-Scenes Agreement With the United States." The article notes the meaning of the North Korean Foreign Ministry spokesman's comment issued on 12 February and says: "the ROK and the United States regard it as the North Korean proposal that the United States confirm the secretive and intermittent exchange of views between the United States and North Korea." The article goes on to note the remarks by an ROK Government official who accompanied Foreign Minister Han Sung-chu on his visit to the United States, who is quoted as saying: "We think that North Korea openly asked for the card which the ROK and the United States was going to present. This seems to be the North Korean intention of leading the situation positively rather than negatively." The article then notes, "North Korea is, in fact, asking the United States to help North Korea establish its justification for its own people at home, in allowing the IAEA inspection team to visit North Korea, that the inspection team could come to North Korea because of its own good will" rather than being forced by the Nuclear Nonproliferation Treaty obligations. The article also notes that North Korea wants to have the U.S.-North Korean behind-the-scenes exchange of views notarized so that it can secure the anticipated fruits if the third round of U.S.-North Korean talks are held."

The moderate HANGUK ILBO on 15 February carries on page 5 a 900- word article by reporter Yu Sung-u entitled "Why Is North Korea So Indecisive Between Hardline and Dialogue?—Hardline and Moderate Negotiation Strategy Utilizing Time Before International Sanctions." The article notes the background behind North Korea's sending two different messages one after the other in connection with its nuclear issue, that is, while it maintained a stiff stance for some time on the nuclear inspection by the IAEA, North Korea hinted on the possibility of resolving the issue through dialogue at the last minute. The article notes, "Some North Korean watchers believe that North Korea takes this position because it thinks there is still some time left before actual sanctions are taken." The article then notes the opinion of another group of watchers that says that "North Korean President Kim Il-song may have tentatively taken back the authority on diplomacy and economy from his son Kim Chong-il to institute the authority himself. This may have caused the issuance of the apparently conflicting messages." The article notes the opinion of yet another group of watchers that says "North Korea is trying to fully use the time before the actual sanctions are taken," because it could still use the double tactic of negotiation of hawk and dove before the sanctions can actually produce effects.

The moderate TONG-A ILBO publishes on page 4 an 800-word article entitled "The Last U.S. Persuasion To the North" by correspondent Nam Chan-sun from Washington.

The article reports that the United States is making its final persuasive move through the North Korean mission in the United Nations and the PRC is also doing everything possible to join the effort to persuade North Korea. The article reports that such persuasive efforts are based on the analysis that North Korea values the clue for dialogue [taehwaui pulssi] as has been revealed through the remarks of a North Korean Foreign Ministry spokesman on 12 February.

The article notes the fact that most conditions except one or two were agreed upon between North Korea and the IAEA and that the ROK foreign minister's "appeal" during his recent U.S. visit encouraged the United States to continue to be persuasive.

The article notes that "the persuasion does not mean any more concession but is focused on having North Korea realize the situation after the nuclear issue is referred to the UN Security Council."

The article reports that the ROK Government is criticized for having weakened the "stick character" of the persuasion by announcing that it will continue dialogue with Pyongyang even after the North Korean nuclear issue is referred to the UN Security Council.

The pro-government SEOUL SINMUN publishes on page 4 a 1,200-word article by correspondent Yang Sung-hyon from Ottawa.

Comparing the two communications made by North Korea on 12 February—the hardline toned NODONG

SINMUN commentary and the moderate remarks of a Foreign Ministry spokesman—the article reports that the government analyzes the former as "for domestic use" targeting the hard-liners and public opinion inside North Korea, and the latter as a message to the international community.

The article analyzes that "ROK Foreign Minister Han's visit to the United States provided North Korea with a pretext for changing its direction" and adds that government officials believe there is a great possibility that North Korean working-level officials reported such moves of the ROK and the United States as an "achievement of the Republic's demand."

The article notes that it is still too early to be optimistic because the United State and the IAEA have yet to assess North Korea's true intentions and North Korea has to confirm with the IAEA if the IAEA's expression of "inspections for the continuity of safeguards" coincides with North Korea's demands.

The moderate KYONGHYANG SINMUN publishes on page 3 a 700-word entitled "Attention on North Korea's Last Nuclear Card" by correspondent Yi Sung-chol from Ottawa.

The article notes that ROK and U.S. officials agree that North Korea will soon suggest the resumption of dialogue with the United States and that the attention is focused on when and what the contents will be.

The article quotes an ROK Government official as saying: "Analyzing the 12 February remarks of the North Korean Foreign Ministry spokesman, North Korea is focusing on facilitating pretexts rather than insisting on their demands."

The article reports the official also added that North Korea has finally realized that it is impossible for the United States to pressure IAEA more to ease inspection conditions.

The article reports the ROK and U.S. authorities are discussing the optimum level of pretexts available to the expected demands from North Korea.

As to the timing, the article reports that related officials expect North Korea will request the United States to hold a dialogue on 19 February at the latest and that a high-ranking ROK Government official expects that the IAEA's resolution to refer the North Korean nuclear issue to the UN Security Council will be adopted on 23 February.

The article reports the ROK and U.S. Governments are studying countermeasures based on three assumptions before 19 February: First, when North Korea expresses its willingness to accept nuclear inspections; Second, when the nuclear inspections begin; Third, when no agreement is reached.

The article reports that an ROK Government authority said if North Korea agrees to accept nuclear inspection, there is a great possibility that the United Nations will adopt a resolution to impose sanctions with a deadline for nuclear inspections.

DPRK Not To Attend 21 Feb Christian Conference

SK1502041394 Seoul HANGYORE SINMUN in Korean 15 Feb 94 p 2

[Text] The North Korean Christian Federation has informed its ROK counterpart of its decision not to dispatch a delegation to the 43rd general meeting of the ROK Christian Church Council which is slated to be opened in Seoul on 21 February, disclosed the Christian Church Council on 14 February.

The North Korean Christian Federation, in a message sent via facsimile on 14 February, said: "The civilian-level exchange between the North and South has hit the wall since the South Korean authorities, under the pretext of the nuclear issue, held off our delegation from attending the funeral service for Rev. Mun Ik-hwan," adding, "It is regrettable that we are not able to send the delegation to the general meeting."

DPRK 'Turned Cold' on N-S Economic Cooperation

SK1302035294 Seoul YONHAP in English 0325 GMT 13 Feb 94

[Text] Seoul, Feb. 13 (YONHAP)—As tension mounts over the matter of accepting international nuclear inspections, North Korea turned cold on inter-Korean economic cooperation which it has previously actively sought through unofficial channels, a government official said Sunday.

North Korean businessmen have lost interest in contacting their South Korean partners this year and instead are turning to American or Japanese firms to pursue joint-venture projects, the official said.

The change in their position is understood to be in connection with the dismissal of reform-minded Kim Tal-hyon as a vice premier and chairman of State Planning Commission and the mounting tension over the nuclear issue, the official said.

South and North Korean businessmen have continued their contacts in Beijing even when the nuclear problem became an international issue, he said, but the North is making no efforts this year.

Pyongyang is also very cold on allowing South Korean companies taking part in its infrastructure projects and instead is seeking partnership with U.S. or Japanese firms, he said.

Kim of North Korea reportedly met with Samsung, Lucky-Goldstar, Daewoo leaders in December 1992 and asked for their participation in Pyongyang's economic development projects.

DPRK Reportedly Asks ROK To Invest in Port

SK1502062194 Seoul CHOSON ILBO in Korean 15 Feb 94 p 1

[By Yu Sung-u]

[Summary] North Korea has reportedly requested that ROK businesses invest capital into the development of Port Chongjin and is preparing for increased North-South trade by opening, within this year, a sea route between Chongjin and Pusan that is to serve twice a week.

According to authorities concerned on 14 February, Chairman Li Tiehu of the Xianhu business group of Jilin Province, China, visited the ROK in early February to discuss this issue and conveyed the North Korean authorities' intention that "Rather than China or any other country, North Korea is now counting on the South Korean side for the necessary funds to develop Port Chongjin that is estimated to exceed $100 million," and added that "North Korea is gearing up efforts to open sea routes between Pusan and Chongjin, and Inchon and Nampo as part of a plan to devote all of Chongjin to free economic zones." [Citing a Chinese source, Seoul HANGUK ILBO in Korean on 15 February 1994 p 7 adds: "North Korea reportedly launched a feasibility study on opening Chongjin and Nampo as economic zones" and "North Korea once reviewed opening Sinuiju as an economic zone, only to withhold a final decision."]

Xianhu Business has been learned to have signed an exclusive contract with the North Hamgyong Provincial Administrative and Economic Committee, and the Economic Cooperation Co. of North Korea to build a wharf for containers and cranes, a road connecting Chongjin and Horyong, and to expand an open storage yard to 237,000 sq. yds.

North Reportedly To Open More Economic Zones

SK1402112594 Seoul CHUNGANG ILBO in Korean 14 Feb 94 p 1

[Report by correspondent Chon Taek-won]

[Text] It has been learned that North Korea will open Sinuiju and Nampo this year as special economic zones following the Sonbong-Najin area, which was opened in December 1991 as a free economic and trade zone. This was disclosed on 14 February by a Chinese specialist on North Korean affairs who contacted North Korean officials concerned in North Korean external economic affairs. He added that the residents of the Sinuiju area, to be opened as a special economic zone, were relocated last year, and that harbor and railroad construction work is now underway in this city.

The Chinese specialist said: An economic zone with an area of three square kilometers will be established in Sinuiju, and another economic zone with an area of two square kilometers will be established in Nampo, respectively. The opening of these two cities will be officially announced on 9 September, the day of the anniversary of the founding of the North Korean regime, after being passed by North Korea's Supreme People's Assembly.

The specialist said: "I understand that there was some objection to opening up among North Korea's highest leadership, but the leadership decided to promote openness in a phased and limited manner, believing that it is an inevitable trend of history."

Stressing that "China has played a great role in leading North Korea to openness" the specialist said that "with the opening of Sinuiju, the industrial zone linking Dandong, located on the opposite side of Sinuiju, and Shenyang, the central city of the three northeast provinces of China, is ready to be linked with Sinuiju. At the same time, North Korea also attaches great importance to the opening of Sinuiju, which will contribute to increasing trade with China.

The specialist said that a mutual cooperative system has already been established between China and North Korea for the opening of Sinuiju. Thus, he expressed a strong desire to develop, through this cooperative system, a West Sea economic sphere including North Korea.

The specialist also said that in addition to the 380 kilometer-long Shenyang-Dalian expressway, a direct Shenyang-Dandong expressway is scheduled to open in October and that the Shenyang-Fenghuangcheng-Benxi linking railway, which was used as the main supply route for the Chinese People's Volunteers during the Korean war; the second railway bridge on the Yalu River leading to Chongsumyon in North Korea; and other roads will be rebuilt to use as routes for transporting underground resources.

The specialist said that Sinuiju, the second largest city of North Korea with a population of 700,000, forms an industrial zone in Puksinuiju [north Sinuiju] District, located in the city's Yalu River riverside. He said that the depth of the water of the present harbor located in the estuary of the Yalu River is 20 meters, that the construction work of expanding this harbor from the present facilities capable of anchoring only a 5,000-tonne ship to the facilities capable of anchoring a 10,000-tonne ship is underway, and that the construction of the Sinuiju-Pyongyang railroad and an 8 km-long railway leading to the harbor is also being accelerated.

Background on Opening Zones

SK1402142594 Seoul CHUNGANG ILBO in Korean 14 Feb 94 p 5

[By Chon Taek-won from Beijing]

[Text] The opening of Sinuiju means the start of North Korea's opening of areas near the West Sea following the opening of Najin and Sonbong near the East Sea [Sea of

Japan]. The development of the economic zone around the Tuman River, which finds its way to the East Sea, is still merely a plan without any clear prospect for investments although it has been promoted by the UNDP [United Nations Development Project]. The Sinuiju development plan is, however, likely to be realized soon and produce visible results because this area is connected with China's West Sea economic zone, which is under a full-scale development. This fact draws public attention. People are interested, in particular, in the possibility that North Korea will partially introduce the Chinese-style opening policy because the opening of Sinuiju is going to be promoted in relation with China's opening policy.

In fact, rumors on the development of Sinuiju began last year, and have been popular for a long time among people in Dandong, the Chinese city across Sinuiju, at the other side of the sea, but there was no way to confirm it. Real facts of the rumor began to emerge as North Korea recently set out its second-stage opening plan in a full scale.

North Korea opened the Najin-Sonbong area on 28 December 1991 according to Decree No. 74 of the State Administration Council. Thus, the three North Korean ports along the East Sea coast, including Chongjin located in this area, are now open. When Sinuiju and Nampo open in the second stage, North Korea will have open areas in, both, the East and West Sea coasts.

In spite of this fact, we could not realize North Korea's opening up because of the deadlocked North Korean nuclear issue and because of no visible progress in the plan to develop the Tuman River area, including Sonbong and Najin, due to the contradiction in interests of the countries concerned.

Moreover, North Korea has been very cautious of the Chinese-style way of opening up based on the socialist market economy, and it was hard to believe that North Korea would really open the West Sea area—its opening would inevitably be related with China—under the situation in which relations between the two countries became delicate because of the North Korean nuclear issue. North Korea, however, could not help but seek its way in the changing situation represented by the collapse of the Soviet Union and East Europe and China's reform and opening up.

North Korea finally worked out a "region-lockout opening policy [kukchi pyeswoehyong kaebangchaek]" as a means to protect its system from the shock caused by the opening up as well as to break the economic deadlock.

This policy was experimentally applied to the Najin-Sonbong area. The policy is aimed at preventing the wind from an open area from blowing over to other areas by completely banning the people's contacts with open areas and by having unfaithful residents in open areas and those in the region neighboring an open area move out. North Korea forced residents in the region around Najin and Sonbong to move out and replaced some of them, and now is reportedly having the residents of Puksinuiju move out.

Why has North Korea worked out this opening policy internally although the nuclear issue, externally, is running into a tougher phase? Public interest is focused on this. Some people guess that though it assumes a nuclear confrontation policy, North Korea is well aware that it has no choice but taking a line of peaceful coexistence based on economic exchanges. It can be said that the opening of Sonbong, Najin, and five cities for border trade with China is nothing but preliminary arrangements for the second-stage opening of Sinuiju and Nampo.

Sinuiju is as important to North Korea as Pusan is to the ROK. This border city competes with China's Dandong and Donggou. This city can play a role in beefing up North Korea's opening up. This city has abundant hydraulic power (Supung power station), abundant water supply, and the railway system, and is convenient for maritime and river navigation.

A pipeline for oil, which China exceptionally supplies to its brotherly country [North Korea], runs from the Daqing oil field to the Pakchon refinery via a bottom section of the Yalu River in front of Sinuiju. Needless to day, Sinuiju's industries, including the textile industry, are important to North Korea.

China, a world-class base of non-ferrous metals, is developing borax, magnesium, talcum, and graphite. Japanese trading corporations have so far been making profits by re-exporting these minerals to the ROK. Dandong has an international airport directly linked to Hong Kong; Shanghai; and Beijing; and the Donggou port, where four 40,000-tonne boats can berth simultaneously, is nearby. Therefore, Dandong is equipped with all conditions for development.

Dandong was formerly Andong. A historic irony is that the military airport, railway, bridges, and roads which were used when the Chinese Army was invading the Korean peninsula are now being used for opening North Korea and promoting exchange with North Korea.

China seems to believe that if it links China's three northeastern provinces [Jilin, Liaoning, and Heilongjiang] in which Shenyang is a central city, Dandong, Dalian, and Donggou to Sinuiju, this will contribute to developing the Yellow Sea sphere, unlocking North Korea's economic potential, promoting regional economic cooperation with the ROK, and, thus, promoting stability on the Korean peninsula.

It is presently far from certain that North Korea will further open up. Still, indications have appeared that North Korea is moving toward carrying out practical economic policies. And, the opening of Sinuiju must be assessed in this context.

Vice Foreign Minister Meets U.S. Congressmen

SK1502030294 Seoul YONHAP in English 0214 GMT 15 Feb 94

[Text] Seoul, Feb. 15 (YONHAP)—U.S. lawmakers on Tuesday denied any commercial motives in plans to deploy Patriot missiles in South Korea, urging Seoul to look at the political meaning of the deployment and the heightened war deterrence.

A group of six U.S. representatives, led by John Murtha, chairman of the Defense Subcommittee of the House Appropriations Committee, met with South Korean Vice Foreign Minister Hong Sun-yong to discuss the effectiveness of sanctions against North Korea and security on the Korean peninsula, ministry officials said.

The talks touched on how far Japan and China would go in case the UN Security Council imposed sanctions against North Korea, whether the Tokyo government would be able to halt the money flow from pro-Pyongyang Korean residents into North Korea and whether Beijing would stop supplying crude oil to its ally.

Vice Minister Hong said he expects Beijing to recognize the international mood and meet South Korea's expectations.

Apparently trying to allay criticism here that Washington is taking advantage of the current tension to sell arms to Seoul, the congressmen dismissed any commercial interest in the matter, the officials said.

The Clinton administration's plans to deploy Patriot missiles at American bases in South Korea, the lawmakers said, are aimed at countering North Korean missiles that can reach as far as Japan.

The Patriot deployment should be understood for its "political symbolism," the congressmen were quoted as saying, and the missiles' presence would greatly improve deterrence against North Korean aggression.

The legislators left Tuesday morning, ending a three-day visit to Seoul that included meetings with the defense minister and presidential aide for diplomacy and national security.

Coalition Opposes Arms Buildup on Peninsula

SK1402123194 Seoul YONHAP in English 1153 GMT 14 Feb 94

[Text] Pusan, Feb. 14 (YONHAP)—The Pusan Coalition for Democracy and National Unification on Monday called for the retraction of an alleged plan of the United States to build up arms in South Korea. The coalition with some progressive-minded people in the Pusan area as its members, said in a statement the United States should retract an "arms buildup plan" forthwith. It said that in the buildup plan, the United States seeks to deploy Patriot missiles and Apache helicopters in Korea.

"The arms buildup plan stands in the way to a peaceful resolution of the North Korean nuclear question," said the statement. "It is a conspiracy to heighten tension and thereby facilitate the sale of weapons whose overseas markets have been obliterated by the advent of the de-Cold War age."

The coalition also asked the United States to be more sincere toward nuclear talks with North Korea and called on the South Korean Government to turn down the U.S. plan to deploy modern weapons in Korea and to resume the suspended inter-Korean dialogue.

DP To Send Letter to Clinton on Nuclear Issue

SK1502081694 Seoul YONHAP in English 0719 GMT 15 Feb 94

[Text] Seoul, Feb. 15 (YONHAP)—The opposition Democratic Party resolved at a caucus on Tuesday to send U.S. President Bill Clinton a letter urging a peaceful solution to the North Korean nuclear problem.

International sanctions against the Stalinist state would heighten tensions on the Korean peninsula, the main opposition party concluded at the meeting attended by supreme councilors and lawmakers belonging to the National Assembly's Defense and Foreign Affairs-National Unification Committees.

The letter will be delivered to Clinton, via Secretary of State Warren Christopher, by Rep. Chong Tae-chol when he visits Washington later this week.

The party also agreed that if sanctions become inevitable after the International Atomic Energy Agency's Board of Governors meeting slated for Feb. 21, they should be taken on a step-by-step basis.

Spokesman Pak Chi-won said the letter would convey to President Clinton the party's hope for fresh efforts to seek a peaceful way out, such as a package solution, by calming down U.S. hard-liners warning of the danger of war on the Korean peninsula.

U.S. Official Urges Legal Service Market Opening

SK1402015794 Seoul YONHAP in English 0140 GMT 14 Feb 94

[Text] Seoul, Feb. 14 (YONHAP)—The U.S. State Department has notified Seoul that it will take up the question of opening the South Korean market for foreign legal service at the third round of U.S.-South Korea Dialogue for Economic Cooperation (DEC) in Washington on Wednesday, the Justice Ministry said Monday.

The official letter, sent in the name of the assistant secretary of state, said that foreign legal service is needed in South Korea in order to protect U.S. interests as an increasing number of American companies are investing in Korea, according to Justice Ministry officials.

Kim Yong-chol, a specialist on international law at the Ministry, said, however, that Seoul should tell the U.S. side that the market cannot be opened since legal service in Korea, which works basically for the benefit of the public rather than individuals, has fundamentally different characteristics from that of the United States.

More Firms Being 'Cheated' by U.S., China

SK1402030894 Seoul YONHAP in English 0256 GMT 14 Feb 94

[Text] Seoul, Feb. 14 (YONHAP)—A growing number of South Korean firms are being "cheated" in trade with foreign companies this year, with the Chinese ranked as the second biggest problem after the Americans, the Korean Commercial Arbitration Board (KCAB) said Monday. Korean businesses reported nine damage claims against foreign companies worth 2.41 million U.S. dollars last month, up 225 percent in number and 296.1 percent in value from January last year.

In contrast, foreign companies demanded damages in 26 Korean cases, off 33.3 percent from a year earlier, worth 1.26 million dollars. As trade volume grows and export lines diversify, Korean businesses are suffering more damage, a KCAB official observed.

Another reason for the increase in claims by Korean companies is their change of attitude in reacting aggressively to cut-throat world competition following the conclusion of the Uruguay Round pact, the official said. Their trade claims reported to the KCAB totaled 106 last year, up 65.6 percent from 1992, and foreign claims against Korean companies dropped from 395 to 387.

Trade friction with the United States overshadowed that with other countries as cases hit 28 last year and nine last month, followed by China with 13 last year and four in January.

Although China is Korea's third biggest trading partner after the United States and Japan, Korean companies claim many damages because of China's inconsistent trade practices, the official said.

Russia May Repay Loans With Armaments

SK1502020594 Seoul YONHAP in English 0155 GMT 15 Feb 94

[Text] Moscow, Feb. 15 (YONHAP)—South Korea is positively considering a Russian offer to repay loans totaling 1.47 billion U.S. dollars in the form of state-of-the-art weapons, not in cash, it was learned here on Monday.

The Seoul Government, having already examined two lists of arms Russia recently offered, has concluded that some would be useful in evaluating North Korea's weapons systems because they follow those of the former Soviet Union, informed sources here said. But Seoul would reject many others on the lists considering that its weapons systems are patterned after U.S. systems and that it maintains close relations with Washington, they added.

In response to Russia's proposal, Seoul will shortly send a group of weapons specialists to Moscow to study any technical problems with the arms and negotiate the terms of receiving them in place of the defaulted loans.

The Russian Army Chief of General Staff, Mikhail Kolesnikov, will visit Seoul in march to meet with Korean defense officials to discuss Russia's offer of weapons in payment for outstanding loans.

Russian Deputy Defense Minister Andrey Kokoshin said in a recent interview with YONHAP that Moscow is ready not only to offer many of its state-of-the-art weapons in payment for South Korean loans in arrears, but also to introduce Korean capital and marketing techniques in privatizing the Russian defense industry.

Government Earmarks $10 Million in Aid to PLO

SK1502023694 Seoul THE KOREA TIMES in English 16 Feb 94 p 2

[Text] The government has set aside $10 million to finance rehabilitation projects for the Palestine Liberation Organization (PLO) in the Gaza Strip and the West Bank city of Jericho, government sources said yesterday. The sources said an additional $260,000 will be granted for various training programs and donation of equipment to the self-rule government of Palestinians this year.

The financial support will be studied with the PLO side when a legitimate recipient body is set up in the autonomous region, the sources said.

The U.S. Agency for International Development (USAID) agreed early this month in Jerusalem to provide $25 million to the Palestinian Housing Council to build houses for poor families in the village of Jabalia in the Gaza Strip.

The sources said the government will consult with the PLO over which projects the fund will be financed when the Palestinian outlet is formed in the autonomous territory.

The $10 million will come from the Economic Development and Cooperation Fund (EDCF) which is managed by the government to help developing nations.

The other $260,000 in aid will be used to train 10 Palestinians in the manufacturing field here, and to send two Korean experts and construction equipment there this year.

The sources said that set-up of a legitimate body to receive the financial support will be speeded up as Israel and the PLO signed an agreement in Cairo last Wednesday on security issues, including who will monitor the Palestinian border crossing.

The Korean embassy in Jordan has been instructed to closely watch the development of Palestinian autonomy in connection with the aid program, the sources said. The embassy in Jordan handles affairs to the PLO with which Korea has no diplomatic relations.

Tours of Overseas Nuclear Plants To Expand

SK1402030694 Seoul YONHAP in English 0247 GMT 14 Feb 94

[Text] Seoul, Feb. 14 (YONHAP)—The government plans to expand overseas tours by political, educational and regional figures to observe nuclear power plants in an effort to promote the plants here, the Trade, Industry and Energy Ministry said on Monday.

Ministry officials said that additional construction of nuclear power plants in South Korea is inevitable, but that recognition of the situation and knowledge of nuclear reactors among the general public are inadequate. In a plan to enhance such recognition and knowledge, the Ministry will send 210 people in 17 observation parties to overseas power plants this year, compared to 65 in eight parties last year.

The Ministry plans to construct 76 power plants including 14 nuclear plants by 2006 to meet the demand for power, which is expected to increase by more than 10 percent yearly into the early 21st century. The plan will raise the proportion of nuclear power in electricity generation to 47.7 percent in 2006 from the current 40.3 percent, Ministry officials explained.

Opposition Claims President Failed in 1st Year

SK1402044094 Seoul YONHAP in English 0420 GMT 14 Feb 94

[Text] Seoul, Feb. 14 (YONHAP)—The main opposition Democratic Party [DP] claimed Monday that President Kim Yong-sam, who launched a campaign for reform and liquidation of authoritarianism a year ago, has run into the wall because his policy failed to justify such reform.

President Kim's reform has no clear-cut principles and targets, said Rep. Kim Pyong-o, chairman of the party's Policy Committee, in the DP's evaluation called "the limitations of the Kim Yong-sam Administration's reform and 10 acts of misrule."

The party listed the following 10 [number as received] types of misrule by Kim in the first year of his presidency:

Rising consumer prices, failure in the Uruguay Round of trade negotiations and forced opening of the rice market, negligence on the North Korean nuclear issue and a setback in inter-Korean dialogue, railroading of bills in the National Assembly, a series of man-made disasters, large-scale fraud involving banks, setbacks in workers' welfare programs and delay in revising labor laws, failure to carry out a pledge to allocate 5 percent of Gross National Product (GNP) for education, and personnel management based on personal links.

Economic Planning Board To Eliminate Positions

SK1402011794 Seoul YONHAP in English 0057 GMT 14 Feb 94

[Text] Seoul, Feb. 14 (YONHAP)—The Economic Planning Board will eliminate 17 jobs for grade one through nine officials, instead of the originally planned seven positions for grade one through four officials, under its downsizing plan.

Under the reorganization which will be implemented immediately after President Kim gives the go-ahead next week, the Economic Information and Education Bureau will be reduced to a division responsible for economic information in the Economic Planning Bureau.

The three bureau chief-level coordinators under the assistant minister for international policy coordination will be trimmed to two, while a new job of defense budget examination will be created under the assistant minister for budget.

The system of sending a bureau chief-level official to a foreign educational institution for study will be scrapped.

Several bureau-class offices will be rechristened: For instance, the Fair Trade Policy Bureau of the Fair Trade Commission will be renamed the Policy Bureau.

The reorganization plan will also affect some 20 division-class offices: For example, in the Economic Planning Bureau, the manpower development planning division and the social development planning division will be merged into a new manpower division.

Emigration Decrease Attributed to Development

SK1402021794 Seoul YONHAP in English 0158 GMT 14 Feb 94

[Text] Seoul, Feb. 14 (YONHAP)—Fewer Koreans moved to foreign countries while more overseas Koreans came back to Korea last year as the country achieved further political stability and economic development, the Foreign Ministry said on Monday.

The number of Koreans emigrating to foreign countries last year was the lowest since 1970, only 14,477, while people resettling in their home country showed a steady increase with 8,781, according to the Ministry.

The number of emigrants did not reach 10,000 a year until 1969, then recorded 16,268 in 1970 and soared to 46,000 in 1976.

During the 1980s, 26,000-37,000 Koreans a year moved to foreign countries. The number of Koreans who emigrated was 23,314 in 1990 and decreased to 17,433 in 1991 and 17,927 in 1992.

People who returned to South Korea numbered about 1,000 a year until the early 1980s, increasing to 4,700 in 1988, 6,400 in 1990, 7,029 in 1991 and 8,892 in 1992.

Those who married foreigners and moved to other countries totaled only 1,510 last year, compared to 6,306 in 1979, and those who emigrated to live with relatives in foreign countries amounted to 6,044.

An official at the Foreign Ministry attributed the drop in emigration to a clear improvement in living conditions and political democratization here.

Burma

Khin Nyunt Receives Visiting U.S. Congressman

BK1402160294 Rangoon Radio Burma in Burmese 1330 GMT 14 Feb 94

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received visiting United States Congressman Bill Richardson at the Ministry of Defense's Dagon House at 0830. Also present at the occasion were U Ohn Gyaw, minister of foreign affairs, and U Nyunt Swe, deputy minister of foreign affairs. The U.S. congressman was accompanied by Mr. Franklin P. Huddle Jr., charge d'affaires of the U.S. Embassy, and Mr. Andrew Simon, political and economic affairs attache.

U.S. Congressman, UN Official Meet Suu Kyi

BK1402142194 Rangoon Radio Burma in Burmese 1330 GMT 14 Feb 94

[Text] It has been learned that visiting United States Congressman Bill Richardson—with the approval of the government—met with Daw Aung San Suu Kyi, who is under house arrest, at her residence on University Avenue Road at 1000. Mr. Jehan Raheem, resident representative of the United Nations Development Program, was also present at the meeting.

Bangladeshi Leader on Relations, Than Shwe

BK1502100894 Rangoon Radio Burma in Burmese 1330 GMT 14 Feb 94

[Excerpts] A Myanmar [Burma] goodwill delegation led by Rail Transportation Minister U Win Sein arrived in Dkaka by air on 7 February at the invitation of Bangladesh Communications Minister Oli Ahmed.

In the evening, Minister Oli Ahmed hosted a dinner for the Myanmar delegation in the special reception hall of Dhaka's (Kumitola) Golf Resort.

On the morning of 8 February, the Myanmar delegation called on Bangladesh President Abdur Rahman Biswas. The Bangladesh president extended his best wishes to Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC], and spoke cordially and frankly on the need for greater cooperation to improve existing bilateral relations. On behalf of SLORC Chairman Senior General Than Shwe, Minister U Win Sein wished the president best wishes and stressed his desire to improve bilateral economic relations while upholding the existing good and friendly bilateral relations. [passage omitted]

The Myanmar delegation visited and donated saffron robes and other items to the (Athtavmeda) Myanmar Monastery in Cox Bazar on the morning of 9 February, and to the Chittagong Buddhist Monastery in the evening. The delegation then left Chittagong by train and arrived back in Dhaka on the morning of 10 February.

The Myanmar delegation called on Bangladesh Foreign Minister Mustafizur Rahman in Dhaka. At the meeting, Minister U Win Sein expressed his gratitude for the Myanmar delegation's tour of Dhaka, Chittagong, and Cox Bazar on its first visit to Bangladesh. He also expressed his satisfaction at studying developments in agriculture and forest conservation and the renovation and expansion of highways in Bangladesh. He explained future investment prospects, including joint ventures in the field of bilateral trade. U Win Sein explained that bilateral visits by leaders of both countries will lead to better understanding and goodwill and will decrease and reduce problems. He expressed his belief that bilateral relations should involve all administrative levels, to facilitate easy and quick coordination, rather than involving only routine diplomatic channels. He also expressed his thanks for the invitation to visit Bangladesh, and thanked his host for the hospitality.

The Bangladesh foreign minister expressed his happiness with the success of the Myanmar delegation's visit, and noted that bilateral cooperation between Myanmar and Bangladesh should be a model of good neighborliness. He also expressed his desire for greater South-South cooperation. The minister explained that Bangladesh should be regarded as a country that desires better bilateral relations, and as a good friend that wants to see Myanmar develop.

Cambodia

Ranariddh, Hun Sen Receive Israeli Ambassador

BK1502073394 Phnom Penh National Radio of Cambodia Network in Cambodian 0400 GMT 15 Feb 94

[Text] On the morning of 14 February at the office of the Council of Ministers, Prince Krompreah Norodom Ranariddh, first prime minister; and Samdech Hun Sen, second prime minister of the Royal Government of Cambodia [RGC], received His Excellency [H.E.] (Izi Malor), ambassador extraordinary and plenipotentiary of Israel to the Kingdom of Cambodia.

On behalf of Samdech Hun Sen, Prince Krompreah Norodom Ranariddh warmly welcomed H.E. (Izi Malor) for coming to carry out a diplomatic mission in the KOC and asked him to encourage Israeli businessmen to invest in Cambodia. The first prime minister thanked the Israeli Government for inviting Prince Norodom Sirivut to lead an RGC delegation to pay an official visit to Israel in the near future.

H.E. (Izi Malor) said that in June, an Israeli trade delegation will visit Cambodia and pledged that the Israeli Government will assist in providing experience to Cambodia in the fields of education and agriculture through cooperation between the two countries.

Indonesia

Alatas on Alleged Timor Killings, Li Visit

BK1502105894 Jakarta ANTARA in English 0850 GMT 15 Feb 94

[Text] Jakarta, Feb. 5 (ANTARA)—Foreign Minister Ali Alatas Tuesday that it is not unusual for the international media to raise stories on East Timor ahead of the United Nations Commission on Human Rights Convention in Geneva. "These sensational news stories are aimed at attracting world attention on East Timor," he told the press after accompanying the visiting German state minister of foreign affairs, Ursula Seiler Albring, to a courtesy call on President Suharto.

The Australian SYDNEY MORNING HERALD recently published a report of an "Orgy of Killing" in East Timor following what came to be called the "Dili incident." The daily was quoting a BBC documentary producer whose original footage of the Dili incident helped incite international condemnation on Indonesia's treatment of its youngest province. The British Broadcasting Corporation film maker said he had lived illegally in East Timor for 3 months. On that claim, Alatas said: "Without our notice, it would be very impossible for him to stay there for almost three months." When asked about a foreign journalist's application to produce a film in the province, Alatas said his ministry was still considering the request.

On the occasion, the minister also disclosed his plans to visit Myanmar [Burma] and Laos at the invitation of the two countries.

He said his visit to Myanmar was aimed at finding out the latest development in the country, including discussing matters for the next Association of Southeast Asian Nations (ASEAN) ministerial meeting.

Commenting on China's protest over the recent "vacation visit" of Taiwanese President Li Teng-hui to Bali, Alatas said no other official protests were lodged after the end of Li's stay. He reiterated Indonesia's "one-China policy" and said that Jakarta recognised only mainland China as a nation and state. He stressed that ties between Indonesia and Taiwan were maintained at economic and trade level.

Minister Reviews Meeting With Taiwan President

BK1502092294 Jakarta ANTARA in English 1420 GMT 14 Feb 94

[Excerpts] Jakarta, Feb. 14 (ANTARA)—Taiwan and Indonesia will soon explore the possibility of establishing cooperation in manufacturing non-military aeroplanes, said Research and Technology Minister B.J. Habibie here Monday.

"Taiwan has no experience in producing such type of aeroplane, so that it would like to learn from Indonesia which has 18 years of experience in non-military aircraft production," he told the press after meeting with Germany's junior minister, Ursula Seiler Albring, of the German Foreign Ministry. [passage omitted]

Habibie quoted Taiwan President Li Teng-hui as saying that Taiwan would like to learn from Indonesia in manufacturing non-military aeroplanes in line with the country's effort in demilitarization. [passage omitted]

At the meeting, Habibie urged Taiwan to increase its investment in Indonesia. Taiwan's direct investment in Indonesia in 1993 was recorded only at U.S. $124.6 million or a sharp decrease from U.S. $1.06 billion in 1991. "Taiwan pledged to muster its enterpreneurs and business sector to invest in Indonesia," he added. Habibie, who made clear that he met the Taiwan president in his capacity as a scientist, said that he learned much about issues on village development from President Li Teng-hui who is an expert in agronomy and village development.

"Indonesia would also like to explore the possibility of establishing cooperation with Taiwan in the development of villages," he said, adding that Taiwan has suceeded in industrializing 70 percent of all its villages. We can take, as an example, Taiwan's experience that if the villages are integrated into the industrialization process of the country, the village community will also be able to transform themselves into becoming industrial technocrats," he said. [passage omitted]

Suharto, German Minister Discuss Human Rights

BK1502100994 Hong Kong AFP in English 0933 GMT 15 Feb 94

[Excerpt] Jakarta, Feb 15 (AFP)—Visiting minister of state at the German Ministry of Foreign Affairs, Ursula Seiler, Tuesday said she discussed human rights issues with Indonesian President Suharto and stressed the need for a dialogue on the topic. "Despite some differences in views, in regard to human rights, we have a common ground when it comes to the universality of human rights and we must enter into a dialogue in this field and not stick to accusations," Seiler told journalists after paying a courtesy call on Suharto. [passage omitted]

Suharto Receives Singaporean Minister

BK1502081594 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 15 Feb 94

[Excerpts] President Suharto received a courtesy call from Madame Ursula Seiler Albring, junior minister in the German Foreign Ministry at Bina Graha Presidential Office in Jakarta this morning. [passage omitted]

Earlier, the head of state received S. Jayakumar, Singapore's new foreign minister, who was accompanied by Edward Lee Kwong Foo, Singapore's ambasasador to Indonesia.

Responding to reporters, Foreign Minister Jayakumar said that President Suharto has instructed that the long-established close ties between Singapore and Indonesia should be further strengthened. On the occasion, Jayakumar also briefed President Suharto on the ASEAN foreign ministers meeting scheduled to be held in June.

Thailand

PRC Delegation May Not Visit Over Li Contacts

BK1502104294 Bangkok XING XIAN RIBAO in Chinese 15 Feb 94 p 8

[By Correspondent Liu Zhenyan from Phuket]

[Excerpts] Taiwan President Li Teng-hui, accompanied by his wife and a 40-member delegation, arrived in Phuket on Valentine's Day. [passage omitted]

Deputy Prime Minister Amnuai Wirawan, in his personal capacity, hosted a party for the Taiwan president and his delegation at the Dusit Laguna Hotel last night. Chen Youhan [Thai name: Chatri Sophonphanit; president of the Bangkok Bank], Hu Yulin [Thai Name: Saman Ophatwong; chairman of the Thai Rice Exporters Association], Li Guanglong [Thai Name: Wisit Lilasithon; chairman of the Wall Street Finance & Securities Company and the Wall Street Tower], and Chen Zhuohao [Thai name: Sumit Loetsumit; chairman of the board of directors of the Si Thai Superware Company] were among the Thai-Chinese businessmen invited to attend the banquet.

An informed source told our correspondent that Li Teng-hui's visit resulted from mediation by Gu Liansong, who has close relations with the Thai-Chinese business community and once was chairman of the Taiwan-Thai Business Committee and advisor to Taiwan's Executive Branch.

Deputy Prime Minister Amnuai met President Li while attending an international monetary meeting in Taiwan late last year. Yesterday's meeting was the second between Amnuai and Li Teng-hui in seven months.

Meanwhile, a Chinese National People's Congress [NPC] delegation led by Zhu Liang, chairman of the NPC Foreign Affairs Committee, may delay or cancel its visit to Thailand as a result of Li Teng-hui's visit. The delegation is scheduled to visit Thailand at the end of this month at the invitation of Parliament President Marut Bunnak.

Economic Official on Jakarta APEC Meeting

BK1502092494 Bangkok SIAM POST in Thai 14 Feb 94 pp 17, 22

[Text] Kroekkrai Chiraphaet, director general of the Business Economic Department, has commented on the first APEC [Asia-Pacific Economic Cooperation] Senior Officials Meeting [SOM]—as well as the Committee on Trade and Investment meeting—held in Jakarta between 31 January and 4 February.

According to him, officials placed emphasis on small and medium enterprises, which are under the APEC umbrella. Relevant working groups and committee were told to emphasize these because APEC believes they will contribute to the economic development of its members, especially regarding regional distribution of income. Consideration, however, must be given to enterprises that really respond to the needs of each country.

With the conclusion of the GATT talks, the APEC group pursued its call for liberalization within the grouping. Thailand must plan ahead for five years from now and must adapt, because Thailand will have to remain with APEC whether it likes it or not.

Withun Tulayanon, the department's expert on regional trade who also attended the Jakarta SOM, said the meeting tasked Indonesia with preparing for an informal APEC trade ministers meeting during the next GATT meeting, which will be held in Morocco. This meeting will allow ministers to exchange views prior to the next APEC meeting, which is scheduled for Seattle [as published].

He said that during the SOM, U.S. officials circulated copies of a paper on work that APEC should pursue that was adopted at APEC's Blake Island summit late last year. President Bill Clinton signed the paper. It was handed to Indonesian President Suharto, who will host this year's APEC meeting. The paper said it was agreed at Blake Island that an APEC investment code [preceding two words in English] should be drafted in 1994. The senior officials were surprised when they read the paper. Member countries agreed in principle at the summit to draw up an investment code, because this will facilitate the flow of capital within the grouping. There was no indication, however, that the move should be carried out this year.

Withun said that such a proposal had already been made to APEC in 1993 by the Pacific Economic Cooperation Council (PECC) [preceding four words and acronym in English]. Under this proposal, investing countries would be given national treatment [preceding two words in English], which is even better than most favored nation status (MFN). There was also a prohibition against quotas on the use of local raw materials. The proposal was not supported by most members, and was finally rejected.

Many countries expressed surprise after reading the paper presented to the SOM. Many disagreed with its contents. Thai Board of Investment officials present also disagreed. The meeting decided that the issue should first be discussed by investment specialists from member countries scheduled to meet in the United States at some point. Thailand will send Board of Investment officials to attend.

According to a Commerce Ministry source, the United States pressed for a discussion of the investment code during the SOM. An early resolution of this matter would benefit the United States, particularly if it concerns the liberalization of foreign investment in the service sector, such as airlines, tourism, and banking.

Singapore and Hong Kong also support the move to speed up discussion of the investment code. As duty free ports, they both stand to benefit. Japan partially supports the move, but has reservations concerning telecommunications. Australia supports it. Thailand, Indonesia, China, and some other countries disagree with it. This includes Korea, which has never allowed foreign investment in its oil industry.

Anyway, it is possible that there was no mention in the APEC statement about concluding the investment code this year. Those who attended the SOM will have to report to Deputy Prime Minister Suphachai Phanitchaphak and check with him as to whether there was any agreement at the APEC summit about a deadline for drawing up the investment code. The deputy prime minister attended the summit.

Withun also described the meeting of the Committee on Trade and Investment, which is a permanent mechanism of APEC, established under the International Charter on Trade and Investment adopted at the 5th APEC ministerial meeting in November 1993. The meeting agreed to speed up work on the following three issues: 1) product origin; 2) mechanism for settling disputes; and 3) policy on competition. APEC will attempt to push the first two issues on the GATT meeting's agenda. New Zealand has been asked to work on the third issue and develop a more precise definition. New Zealand made the proposal.

Minister Confident of Removal From Watch List

BK1502123594 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 14 Feb 94

[Text] The commerce minister expressed confidence that Thailand will be removed from the Priority Watch List, or PWL. He said this after presenting shields to senior police commissioners in recognition of their cooperation with the Commerce Ministry in cracking down on video tape piracy. Elaborating on Thailand's efforts to rid itself of PWL status, Commerce Minister Uthai Phimchaichon said the copyright bill is now awaiting the first reading by the House of Representatives this year. Thailand has taken measures under the principle of international trade and the postponement of the U.S. decision made him believe that the United States will remove Thailand from the list.

[Begin Uthai recording in progress] ...credibility in trade and the serious efforts we have made will help convince our trade partners like the United States to remove us from PWL. Evidently, the United States keeps postponing the announcement of its decision on Thailand. This, together with several other indications, reflects the growing trust they have in us. They are now waiting for more action from us. [end recording]

Official Wants More Insurance Competitiveness

BK1502124994 Bangkok KRUNGTHEP THURAKIT in Thai 15 Feb 94 p 4

[Text] Deputy Commerce Minister Chaloemphon Sanitwongchai disclosed that the Commerce Ministry and Insurance Department have not yet come up with a resolution on the proposal to increase the number of insurance companies nationwide. In principle, the more companies, the more the people benefit because they will have more choices.

Chaloemphon said: "The business' present image is not very good because certain companies still exploit clients. Liberalization will trigger competition and prevent maltreatment of clients."

The deputy minister, however, reaffirmed that if it is decided that more insurance companies will be allowed to operate, application screening will be carried out in accordance with regulations. He said: "I can assure you that issuing permits must be done in a fair manner to all. If not, I will be the first to defend the interests of the people."

He noted that although liberalization of the insurance business to open the door for foreign firms is necessary, existing Thai insurance companies need time to improve so they will be able to compete with foreign companies.

He said: "I believe that Thai companies are not yet ready for competition and the government is taking necessary actions to defend their business as long as possible. They must make efforts to improve and should not only think of relying on government assistance."

Vietnam

'Uncontrollable' Trade Along PRC Border Detailed

BK1202161294 Hanoi VNA in English 1336 GMT 12 Feb 94

[Text] Hanoi VNA Feb. 12—Goods exchange along Sino-Vietnamese borders looking from the outside seems to be less active now than that some years ago, but it does not mean the quantity of exchanged goods is on the decline, according to market specialists.

Chinese buyers are mainly interested in Vietnam's foodstuff for preparing specialities such as trionychil turtles, frogs, tortoises, eels, snakes, dogs, cats, chicken, illicium, green bananas and cashew nuts, and raw materials such as rubber, natural silk yarn. Meanwhile there is a wide range of consumer goods flowing from China to Vietnam. They include mechanical goods, processed foodstuffs, fresh fruits, motors, electric fans, hot water vacuum bottles, beer, mineral water, confectionery, medicinal herbs, garments, cosmetics, bicycles and so on.

Goods were exchanged through official border gates as well as footpaths.

Taking the lead in the cross-border goods exchange among the six northern border provinces is Lang Son.

A market managing official in Lang Son revealed that Vietnamese and Chinese traders and transporters are seen everywhere along the 253 km of the provincial border line. The two-way flow of goods across the border is uncontrollable. In 1993 the province could collect import-exported taxes on only one-third of the volume of goods exchanged, namely VND [Vietnamese dong] 170 billion (roughly USD 17 million).

At the small border gate of Tan Thanh, the quantity of exchanged goods every day is worth half a VND billion nearly USD 50,000, and there are about a hundred of such border gates in Lang Son Province.

Opposite to Vietnam's border gates, it has been reported that there are big markets and export-import centres springing up on Chinese border areas specially in service of the cross-border trade.

Private Economic Sector Development Outlined

BK1502150794 Hanoi VNA in English 1417 GMT 15 Feb 94

[Excerpts] Hanoi VNA Feb. 15—The private economy or non-state sector in Vietnam has developed vigorously since 1991 following the promulgation of the country's company law and private business law. [passage omitted]

The privatization in agriculture has helped remarkedly increase the country's food output without depending on government's investment. In 1988, Vietnam's food output was only 19.5 million tonnes, and it had to import more than 450,000 tonnes of rice.

By 1993, its food output had reached nearly 5 million tonnes, enough not only for domestic consumption and reserve, but also for export. [passage omitted]

By August 1993, there had been nearly 9,400 non-state businesses in sectors other than agriculture. They included limited liability companies, joint stock companies, private enterprises, co-operatives and production groups with a combined capital of 3,144 billion VN dong (roughly USD 300 million).

The non-state investment capital in 1993 made up 26 per cent of the country's total investment capital of 30,800 billion VN dong (roughly USD three billion). However, investment by private businesses accounted for only 40 per cent of the population's savings.

Thanks to the development of the private economic sector, 400,000 jobs have been created each year. That means to generate one job, investment capital of six million VN dong (approximately USD 600) was needed, compared with the direct foreign investment capital of USD 110,000.

In 1991, the private economic sector remitted to the state budget through taxes VND 870 billion (nearly USD 87 million), accounting for 15 per cent of the total taxes collected in the whole country. The private sector's taxes increased to 1,746 billion VN dong in 1992, and 2,600 billion VN dong in 1993.

Hanoi Hails EC-Financed Reintegration Program

BK1502081894 Hanoi Voice of Vietnam in English 1000 GMT 14 Feb 94

[Text] The United Nations High Commissioner for Refugees held a conference in Geneva on Monday to discuss the international aid program for the repatriation of Vietnamese refugees. The conference was attended by representatives from 31 countries. We now provide you with a report on international assistance for Vietnamese repatriated as well our government's stance on this issue:

About 55,000 Vietnamese people who illegally emigrated to other countries have in recent years been repatriated to this country—Vietnam—and have received assistance for reintegration.

Programs funded by the European Community are the vivid example of the effective assistance in this field, which also come from many agencies and other countries.

The European Community Integration Program or the Reintegration of Vietnamese Refugees or ECIP has been deployed in Vietnam on the basis of an agreement signed between the European Community and the Vietnamese government. This is the first program of cooperation between Vietnam and the European Community. It started in June 1992 and will last 30 months with the total estimated cost of $130 million. The purpose of the program is to provide jobs and vocational training as well as to create opportunities to find jobs for Vietnamese returnees, thus helping them quickly stabilize their lives and reintegrate into the community. It also aims to contributing to consolidating and improving the lives of other people in Vietnam, especially in those places where the repatriation program is under way.

In the past phase, the ECIP's granted loans were $14 million and have been reimbursed $13.5 million. Programs have created 34,000 jobs, 16,000 of these jobs for returnees. About 72 vocational centers throughout the country have received financial assistance from the ECIP. At these centers, more than 50,000 people received training for 44 different jobs and skills.

In addition, the ECIP funded 57 small-size projects with a total cost of $2.9 million in order to build and rehabilitate the infrastructure, thus contributing to socioeconomic development of Vietnamese people generally.

A number of healthcare projects have been carried out in many provinces in the central and southern Vietnam. The progressive efficiency of the ECIP have meant the number of people who illegally fled Vietnam has been reduced. And the program has also encouraged Vietnamese refugees in Hong Kong and some Southeast Asian countries to return home.

The Vietnamese Government is ready to negotiate bilaterally with countries concerned and to cooperate with the High Commissioner for Refugees. This will be done on the framework of the comprehensive program of action in order to receive those who cannot seek asylum in the third countries under the principle of respecting human dignity and insuring security, law, and order and the international financial assistance to help the returnees resettle in their homeland if necessary.

Any repatriation of Vietnamese refugees that runs counter to these principles will not receive support from the world community nor from Vietnam.

Petrovietnam Director on Company's Activities

BK1002151094 Hanoi VNA in English 1433 GMT 10 Feb 94

[Text] Hanoi VNA Feb. 10—The Vietnam Oil and Gas Corporation (Petrovietnam) is striving to pump up 20 million tonnes of crude oil per year by the year 2000, according to its General Director Ho Sy Thoang.

He added that in 1992, Petrovietnam struck production sharing contracts with foreign companies to explore and exploit oil and gas in the northern continental shelf and in the onshore basin of the northern Red River delta. In addition a number of other deals have been signed for the exploration and exploitation of oil and gas from oilfields on the southern continental shelf. As a result of this progress, oil and gas production in Vietnam may exceed 20 million tonnes a year by 2000. Petrovietnam in 1994 expects to tap 7.1 million tonnes of crude oil, up 800,000 tonnes over last year's level. This would include the first amount of 0.3 million tonnes pumped from the Rong (Dragon) and Dai Hung (Big Bear) Oilfields. The oil and gas industry has good prospect in the coming years as the operation and development in Dai Hung and Thanh Long (Blue Dragon) nearby Dai Hung Oilfields come into production. By then Vietnam would rank one of the world's biggest oil producers. According to foreign entrepreneurs, a well of the Dai Hung Oilfield which was successfully drilled recently could be put into operation in the third quarter of this year. It is expected that more than 1,000 tonnes of crude oil could be tapped per day from this well. Petrovietnam also actively carries out a project to gas from Bach Ho into the mainland in 1994 for electricity generation, chemical fertilizers manufacture and other products processed from crude oil for export. The country's first oil refinery has been under construction since 1993 with a view of introducing its products refined from crude oil and the natural gas to the domestic market before 2000. To this end another project for building of the second oil refinery was carried out last month.

CPV Central Committee Political Report

BK1202082294 Hanoi NHAN DAN in Vietnamese 21 Jan 94 pp 1-4

[Political report of the Seventh Communist Party of Vietnam Central Committee delivered by General Secretary Do Muoi at the opening of the Midterm National Party Conference at Ba Dinh Conference Hall in Hanoi on 20 January]

[Text] Dear comrade advisers to the party Central Committee, dear comrade delegates and dear comrades:

On behalf of the party Central Committee, I would like to present the committee's political report to the National Party Conference.

The sixth party congress set forth the renovation policy and created a turning point in socialist construction in our country. The seventh congress evaluated the results of five years of the renovation process for socioeconomic development platform and strategy. It also put forth the orientations and measures for conducting renovation in a far-reaching and uniform manner.

The international situation has developed quickly and become complicated since the seventh congress. Socialist regimes in the former Soviet Union and Eastern Europe have collapsed. The independence and sovereignty of a number of countries have been challenged by policies based on power and imposition. Hostile forces are stepping up activities in a bid to undermine our people's national construction and defense. Once again, our revolutionary undertaking is facing harsh challenges.

The international situation presents new opportunities, however. The strength and determination to struggle for national independence and sovereignty have been consolidated. The trends of cooperation and development have prevailed in the world community. Revolutionary forces have learned valuable lessons from temporary setbacks. The success of our renovation policy has further consolidated our people's strength and position, thus creating conditions for us to overcome difficulties and take advantage of good opportunities to serve national construction.

Faced with new challenges and opportunities, our party and people have adopted a firm political stance. The resolutions of the party Central Committee's Second, Third, Fourth, and Fifth Plenums have concretized and further developed the line set forth by the seventh congress, resolving a series of practical problems on the domestic and diplomatic fronts based on actual international developments and situations. We have persisted in renovation, accelerated socioeconomic development, broadened the process of democratization, firmly maintained political stability, consolidated national defense and security capabilities, diversified our diplomacy, and gradually overcome the impact of a blockade and an embargo.

The National Party Conference has the duty to assess implementation of the seventh party congress resolution and evaluate the actual results of renovation since the sixth congress. The objectives of this are to clarify further a number of issues relating to socialist construction in our country and define major policies and measures to implement the seventh party congress resolution successfully and lead the revolution in our country forward.

PART ONE

The Situation on Implementing the Seventh Party Congress Resolution. I. Achievements 1. The great achievement of primary importance is our success in overcoming the socioeconomic crisis to a very important extent.

The crisis began in the late 1970's and early 1980's. It lasted for many years and became most serious during 1986-88, when inflation ran at a gallop. Another menacing challenge occurred in 1991. Thanks, however, to the great efforts of our party, state, and people, our economy not only held fast but recorded outstanding achievements and tided us over sluggishness and recession. Economic growth has remained very high and steady for the past three years.

The inflation rate was cut from 67 percent in 1991 to 17.5 in 1992, and then to 5.2 in 1993. The GDP shows an average annual increase of 7.2 percent, compared with the target of 5.5 to 6 percent set for the five-year period from 1991 to 1995.

Agricultural production has developed relatively comprehensively. The food grain issue has been resolved satisfactorily. Output of food grain in 1993 amounted to nearly 25 million tons, exceeding the target set for 1995. Industrial production is growing at an average annual rate of 13 percent, higher than the 8 to 10 percent target set in the five-year plan for 1991-95. Productivity in a number of important sectors and products—electricity, crude oil, steel, and cement—has increased. The communications and liaison system has expanded rapidly using new equipment and technology. Many sectors—building, transport, trade, travel, and other services—have developed. The economy is undergoing structural changes. A number of production and business sectors have emerged.

Foreign economic relations have expanded, becoming more diversified and multilateral. We have overcome the unexpected drop in trade with our traditional market, broadened our exchanges with newer trade partners, and increased our annual export volume by nearly 20 percent.

By the end of 1993, some 836 foreign investment projects had been licensed, with a registered capital of $7.5 billion. We have begun to attract more development aid and preferential capital loans from various governments, and have normalized relations with international financial and monetary institutions.

The economy has achieved some initial capital accumulation. Although this is still small, a broad section of the population has seen their lives improve. A multisector economy is taking shape. State firms are beginning to be rearranged and re-registered. Those with long histories of operational losses have been reduced in large numbers, while the number of state firms with effective operations has increased.

In general, the state economic sector is continuing to develop. It controls key activities and is playing an essential role in the economy. The sector's share of GDP increased from 34 percent in 1990 to 39.9 in 1992.

Agricultural cooperatives have developed much clearer orientations for renovation since the party Central Committee's fifth plenum. The autonomy of peasant households has been affirmed. A number of new formats for economic cooperation have emerged. The Land Act officially gave peasants rights to long-term and stable use of land. This has helped the peasant household-based economy gain momentum. Individual economies and private capitalist economies have developed remarkably. Share-holding and partnership enterprises, which are attracting capital from various forms of ownership, have emerged in increasingly large numbers.

The market system, under state management along socialist lines, is becoming a driving mechanism in the economy.

The amendment of laws and continued renovation of various systems and policies on planning, pricing, exchange rates, finance, banking, labor, wages, and land have created a more favorable environment for various firms to develop dynamism, self-motivation, and a sense of responsibility in production and business. The state has accumulated more experience and made progress in the macromanagement of the economy.

Parallel to economic development, resolution of various social issues and implementation of social welfare policies have been given more attention.

Thanks to an increase in production and services, market prices have become relatively stable and the lives of people in various urban and rural areas have been improved. The number of rich households has increased while the number of needy households—especially the number of underfed households—has been reduced. Basic needs for food and clothing have been met in a more satisfactory way. Construction of houses, roads, electrical facilities, and health establishments has developed in various rural and urban areas. Democratic rights—especially economic democracy—have developed gradually. The people are free to work according to the law. They feel more secure about putting their money into production and business, and this has created more jobs.

Various policies—tackling employment, eliminating hunger and poverty, war invalids, families of fallen heroes, and people who have performed meritorious deeds for the revolution; providing assistance to disabled, helpless, and homeless people; and the policy of helping needy students return to school—have been carried out satisfactorily.

Educational activities have made some progress in fighting degradation, diversifying various educational formats, rearranging the school network, consolidating the system of specialized schools and selective classes, and building general education schools for ethnic minority students. The popularization of education has begun to develop satisfactorily. Vocational training and the study of foreign languages and computer technology have developed in various cities.

Science and technology have started to develop as a driving force. Scientific and technological studies have been linked with social requirements. Many research and application projects—especially in agriculture, fisheries, consumer goods, and export goods—have developed practical value. They have helped increase economic results and improve technological knowledge. State-level scientific study programs have become more centralized, and for the first time include programs on social science and the humanities.

Cultural activities have become more lively. Exchanges with foreign countries have expanded. Literary and artistic works have become more copious in content and theme, and more diversified in form, category, and means of expression. The information system has developed with the expansion of radio and television coverage to various districts throughout the country, including a number of mountain areas and distant offshore islands.

Health care activities have shown great progress in various fields, such as preliminary care, expanded immunizations, and the control of epidemics and social diseases. The requirements for essential medicine have been partially met. Physical education and sports have achieved encouraging results.

Population and family planning work has been carried out correctly, leading to an increase in voluntary registrations for the birth control program.

2. The second important achievement is the continuation of political maintenance and consolidation. Because of our success in many areas of renovation—especially socioeconomic achievements, the party's skillful leadership, and political awareness of the country's people and soldiers—we have survived the recent international political shock. The party's leadership role has been strengthened, the state's management efficiency has been heightened, democracy has been broadened, and national defense and security have been guaranteed. The people's confidence in the party, state, and renovation undertaking has increased and public movements for socioeconomic improvement have developed.

After the seventh congress, our party—especially the Central Committee, Political Bureau, and Secretariat—accelerated party building, considering this to be of crucial importance to the entire revolutionary cause in our country and to our party. The third party plenum confirmed that economic development is the central duty and party building is the fundamental duty. It clarified conceptions on party building when the party is a ruling party, and defined principles for party organization and activities. It outlined the duties for consolidating the unity and unification of the entire party. It renovated and strengthened logical and ideological work and consolidated the party organization.

After more than a year of party building, we have improved and heightened our knowledge and responsibility toward party committees and members. We have rearranged the party organization and reestablished cadre committees to oversee party committees and youth unions in state organs and mass organizations. The function and role of grassroots party organizations, together with their procedures and personnel management regulations, have been established. Party principles—especially democratic centralism for the restoration of order and principles—have been executed. Party management and work attitudes have been revamped in a more democratic, collective, and appropriate manner to ensure close and efficient party leadership and expand the positive role of state organs and mass organizations.

We have concentrated more on training and admitting new party members. In 1992, admission of new members increased by 39 percent over 1991. In 1993, it increased by 30.7 percent over 1992.

The party has continuously renovated its thinking and paid more attention to logical and ideological work. It has clarified conceptions and principles for guiding renovation and has gained more leadership experience. Party cadre have become more mature and active, and have gradually grown accustomed to leadership and management work in renovation.

Our social democracy has made significant strides over the past two years, together with the construction of a law-governed state of, by, and for the people. Most prominent was the promulgation of the 1992 Constitution. That helped to institutionalize rapidly the party's line on national construction along socialist lines. Implementation of constitutional stipulations in politics, the economy, culture, education, industry, security and national defense, and the citizen's fundamental rights and obligations—together with introducing many new legal documents and regulations—have further accelerated democratization in our social activities.

The fatherland fronts and mass organizations have diversified activities to broaden the national great unity, motivate the public to carry out its political duties, accelerate social activities, provide good care for the people, and protect their interests.

Mass motivation has been given more attention by party committees at different levels. Coordination between state organs and the fatherland front and mass organizations has been strengthened more than ever in motivating the public to take part in law-building; planning national policy; formation of local authorities; and the policy implementation relating to socioeconomy, security, and national defense.

The armed forces, together with the public, have made many efforts to accelerate renovation in national defense and security, and in developing their own strengths. They have executed their duty to protect the socialist fatherland; guarantee political stabilization; and safeguard national independence, sovereignty, and integrity satisfactorily.

We have successfully implemented the great strategic adjustment in national defense, reduction in military personnel, and the strengthening of universal defense. We have built regional defense networks in provinces and cities, adjusted the strategy for national security, revamped our military activities in the new situation, gained better knowledge regarding the current situation, and become more efficient in fighting the activities of hostile forces.

3. **The third achievement involves our diplomatic activities.** Vietnam's relations with foreign countries have expanded and its prestige and position in the international arena has been enhanced. This creates a favorable international situation in which to build and defend the fatherland.

The seventh congress asserted Vietnam's foreign policy of firmly maintaining peace, expanding relations of friendship and cooperation, creating favorable international conditions for national construction and defense, and positively contributing to the world people's common struggle for peace, national independence, democracy, and social progress.

The congress stressed Vietnam's broad-minded foreign policy of befriending all countries in the world and struggling for peace, independence, and progress.

The Central Committee's third plenum concretized and seriously implemented this policy against the background of new changes in the region and the world and following the seventh national party congress.

We positively expanded diplomatic activities and recorded very significant achievements. We restored normal relations with the People's Republic of China and further developed friendship and cooperation with them. We strengthened and enhanced the special solidarity with the Lao People's Democratic Republic. We cosigned the Paris Accord on Cambodia. We struggled for its serious implementation, established friendly and neighborly relations with the Kingdom of Cambodia, and promoted and opened up a new stage of cooperation and friendship with ASEAN and its organizations. We also expanded relations with others in the Asia-Pacific Region and maintained and developed existing relations of cooperation with the Russian Federation, the states of the former Soviet Union, and East Europe. We preserved and developed our traditional relations with Cuba, India, and the DPRK; continued to support the legitimate causes of Palestinians, Asians, and South Africans; and expanded relations with developing countries in the Middle East, Africa, and Latin America. We positively contributed to consolidation and development of the Nonaligned Movement's role in the new situation, and also improved relations with Western and Northern European countries, the EC, Japan, Canada, Australia, New Zealand, and a number of the newly industrialized. We restored normal relations with international financial and monetary organizations, and made progress in the struggle to lift the U.S. embargo and for normalizing relations with the United States.

II. Shortcomings and New Problems

1. Our economy still depends on agriculture, which is still backward. Our industries are small, infrastructure is poorly developed, material-technical bases are very few, accumulation from the internal economy are minimal, and investment and development are not great enough. Productivity and economic results are low, although growth is acceptable. Our production capability, developing for mobilization in the days ahead, is not up to par. This will affect adversely economic growth in the years to come. Our capability to curb inflation is not consistent, while the budget deficit continues. Budget overdrafts are high and foreign debt payments, which are due, are too immense to be settled because our annual exports are still minimal. Meanwhile, many sectors, localities, units, and leading and managerial cadres are not firmly maintaining awareness in practicing thrift and diligence, thereby causing great losses to public property, while lavish spending is prevalent.

It is necessary to say that our national and cooperative economies slowly have developed and strengthened. Our national economy has not satisfactorily assumed its active role in production and circulation. The state-run business sector has missed good chances to develop many important domains and areas, and this has allowed a group of private traders to exploit these opportunities and cause difficulties for both our producers and consumers. We have not completely overcome obstacles in the private economy. We have difficulties in production development and experience a lack of good management and guidance. Moreover, illegal trade is still prevalent.

We realize that our economic mechanism is at a nascent stage with many spontaneously arising factors; our state management capability is still low and optimally cannot develop the strength of the market economic mechanism nor contain its many negative sides. Our legal system is not complete, while its implementation is not seriously carried out. Planning and activities for financial and banking sectors are still poor and are fraught with negative practices. The goods distribution system is irrational and it is carried out in an arbitrary fashion.

The principle of distributing incomes in accordance with labor has not been strictly observed.

2. In the cultural and social domains, many great and urgent issues are still not resolved, although we have recorded some achievements in these domains. Unemployment, especially for youth of working age, is still the pressing issue and is one of the fundamental factors causing negative practices in our society.

Social policy is not implemented justly. Many people legally amass wealth, but many others get rich quickly through illegal business activities. At the same time, many families who rendered meritorious service to the nation, sacrificed lives, and suffered great loss during the wars are still facing great hardship. The number of poor and starving people still accounts for a significant part of the population. The people's lives in many areas—specially the highland, isolated, and ethnic-inhabited areas—are still destitute.

Education is inadequate in both quality and efficiency. Many issues relating to curriculum and training methods have not been defined to suit development requirements. Many schools are degrading seriously. Laboratory and scientific research equipment is scarce and outdated. Pedagogical schools and teachers provide poor training and education service, which is causing great public concern. Education management cadres at all levels hardly are given proper training. Individual education expenses are too high, which affects the education of children from poor families.

Funding for scientific and technological research is higher than before, but still too low to meet the demand. It is only about 1 percent of the total state budget. Therefore, it must be thinly spread to different areas. The result of this level of funding is limited returns. Measures and regulations have not been introduced to encourage economic enterprises to invest in this field.

Different scientific groups have not been formed. The organic relationship among scientific research establishments, training institutions, and production units has not been established. The import of foreign technologies has been poorly managed and has led to the import of outdated technologies and equipment at high prices. This causes long-term negative effects for the nation.

The situation relating to culture and arts is causing great concern. Running after money, unhealthy interests, bad habits, and superstitions is on the increase. Poisonous and dangerous cultural products are readily available in the market. Incorrect tendencies—such as the rejection of our revolution's achievements and our revolutionary culture and arts, the detachment of arts from the party's political line, the tendency to commercialize the arts, and the spread of bad foreign-influenced arts and debauched lifestyles—are appearing in creative, logical, and critical works. These mistakes and incorrect conceptions were mentioned by the fourth plenum of the seventh party Central Committee, but they are slowly being rectified. Guidance by party organs and the state management over the cultural and arts work is weak.

Our public health service is not meeting minimum requirements of society. Grassroots health care is weak. Hospitals are ill-equipped and provide low standards of service and care. The increase in population is still higher than 2.2 percent. This obstructs socioeconomic development and improvements to life, and affects the development of our race.

Despite many efforts to contain them, social vices are tending to increase—especially drug addiction, gambling, prostitution, and robbery. Corruption and smuggling are prevalent, raising public indignation, and greatly affecting the people's confidence in the party and state.

3. The political situation is stable, but many complicated factors which must not be overlooked still exist. Many party and state organs have not been clean and strong. Political security is not really firm. Social order and safety are not safeguarded. The renovation line on party building has not been satisfactorily implemented. The party mechanism is heavy and bulky and its management and work attitudes slowly are being renovated. Leadership quality and performance of many party committees are still low. They are even sidestepping the party line in some places.

Cadre-related work is a weak link. Cadres, generally speaking, are not up to duties or requirements. In many places, difficulties and embarrassment are experienced when able cadres are needed for appointment to key leading positions. There are not enough qualified cadres and leading specialists to take care of party work, state management, production and business, external economic relations, religion, ethnic communities, and women-related work.

Planning, training, fostering, and assigment of cadres are not performed well. Party committees are not giving proper attention to checking the observation of party regulations, lines, and policies. The reform of the state mechanism is slow and lacks efficiency. Evil practices of authoritarianism, oppression, vindictiveness, bureaucracy, and indiscipline are prevalent in many places.

The fatherland fronts and mass organizations are still facing difficulties in work and methods. The number of cadres working in mass organizations is not stable. They lack enthusiasm are not given appropriate care, training, and benefits.

Confusion and lack of vigilance are still prevalent among party cadres and people. They still have a low level of awareness regarding sabotage plots and activities by hostile forces, who always wish to scrap our party and socialism. Some party cadres remain unconcerned in the face of wrong viewpoints or activities aimed at stirring up social disorder. Others have deviated seriously from the socialist path, or are even inclined to choose another.

Ideological and theoretical work is still slow, not sharp enough, lacks militancy, and is not able to respond convincingly to newly emerging issues. Many party cadres, including core leaders, are still sluggish in self-education. They do not try to improve their character and understanding. Disunity among cadres at some party organizations is also very serious.

III. Generalizations

Despite shortcomings we need to overcome, our past important achievements are **creating favorable conditions for the country to advance gradually to a new development stage—the stage of industrialization and modernization.** These conditions consist of many elements of stature and trend, material and spiritual, economic, political, social and cultural, and domestic and foreign. The reality of past years allows us to assert that the lines and main policies of our party on renovation were correct and the steps taken appropriate. The resolutions of the sixth and seventh party congresses are being absorbed into the life of our people.

Reviewing the reality of renovation brings up many useful lessons. It is necessary to determine that the first experiences learned through the renovation process and pointed out by the seventh party congress need to be developed and applied to our current reality. Those were the lessons of maintaining firmly the socialist path during renovation, combining the determination of revolutionary principles and strategies with flexibility in policies and sensibility to the changes. There were also the lessons of the necessity to renovate comprehensively and harmoniously, and to apply appropriate steps, contents, and methodologies. Other lessons learned were to safeguard firmly the party leadership role and the state management in developing a multisector merchandise economy and socialist democracy as well as the need for the timely exposure and handling of problems, which arise during renovation. We also need to pay appropriate attention to the task of reviewing reality and continuously completing and perfecting theories to build the socialist path.

Renovation is a difficult process, and one which is unprecedented, but we have been bravely searching and learning, and achieving important progress. The most basic, decisive factor was the determination of our party to retain its leadership position; to reject pluralism and a multiparty system; to honor the spirit of independence, self-determination, and innovation; and to follow correct lines and policies, which are in good accordance with the rules and reality of Vietnam. Our party has also been able to develop the total strength of the great all-people solidarity block and expand international cooperation.

The seventh party congress outlined six characteristics for the socialist society our people are building. The congress also pointed out seven basic directions to make these characteristics a reality. This is the socialist direction that the conferences of the seventh Central Committee materialized into practical directives.

The building of socialism, however, is still new to us. It requires from us massive energy to research, study, and discover. We will be able to figure out more clearly the socialist path for our country by continuously reviewing our work and studying ideological theory. We will also be able to figure out the concrete model for each domain of the economic, political, and social and cultural fields. We have to encourage innovation and development of Marxism-Leninism-Ho Chi Minh Thought, especially Leninist thoughts, on a new economic policy and the state-managed capitalism. This will help invent new forms of transition and diversified intermediary steps suitable for our concrete historical circumstances and which will help our country advance firmly on the socialist path.

PART TWO Essential tasks to be carried out in the period ahead.

Lying ahead of our people are major challenges and opportunities. These are:

—The danger of being further left behind economically, compared with many countries in the region and the world, because we started from the lowest point and our growth rate is not high and steady enough; we have also had to struggle upward in a fiercely competitive environment.
—The danger of straying from socialism if we fail to abide by the implementation guidelines.
—The scourge of corruption and other social ills.
—The peaceful evolution-related schemes and actions of hostile forces.

Yet, we also enjoy many fundamental advantages:
—Our party has a correct policy line and is united and single-minded.
—Our people are diligent, intelligent, and patriotic. They have good abilities and firm revolutionary willpower and believe in the party leadership.
—Our armed forces are absolutely loyal to the revolutionary cause of our party and people.
—The successes obtained in renovation are creating our new posture and strengths.
—The development of the scientific and technological revolution and the trend toward broadening global and regional ties of cooperation and development have brought us opportunities for obtaining more important resources.

The general targets set forth by the Seventh Party Congress up to 1995 will be to overcome difficulties and ordeals, stabilize and develop socioeconomic activities, strengthen political stability, dispel negativism and social injustices, and basically tiding the country over the current crisis.

Over the past two and a half years, we have achieved a significant part of that target, especially the economic ones. For the remaining years of our office, we must motivate the entire party, people, and army to be of the same heart and mind; to exert extraordinary efforts; to uphold a sense of independence, sovereignty, and self reliance; to broaden international relations; to practice the motto of industry, thrift, integrity and righteousness; to strive to exploit our advantages; to dispel dangers; to overcome ordeals; and to successfully achieve the general targets cited above. We must quicken our pace to achieve the various aims of the strategy for socioeconomic stability and development to the year 2000 to build a powerful country, a prosperous people, and an equal and civilized society.

The following are essential:

1. To press for changes in the economic structure toward industrialization and modernization.

Socioeconomic improvements, together with the expansion and strengthening of development cooperation with various countries and international organizations, have allowed us to press ahead with our national industrialization and modernization to create more jobs, speed up economic growth, and further renovate the people's material and spiritual life. This is a central task of foremost importance for the period ahead.

Industrialization and modernization are the ways to avoid the danger of being further left behind compared with nearby countries; to maintain political and social stability; and to protect independence and sovereignty as well as the course of socialist development.

At present, we have not followed the old pattern of industrialization. We will not repeat the mistakes, hastiness, and subjectiveness that the Sixth Party Congress has criticized. Industrialization is in fact to build the material-technical bases of socialism. This is not a simple question of increasing the pace and proportion of industrial production in the economy. Rather, it is a process of structural change linked with radical technological renovation to build a foundation for rapid growth and high and long-lasting efficiency for the entire economy.

Industrialization must be accompanied by modernization and this requires the combination of gradual steps of industrial development with efforts to seize opportunities to shorten our process and to form spearheads of development to catch up with scientific and technological progress in the world.

The orientation, scale, and steps of industrialization and modernization must be carefully thought out through a complete understanding of the following important points:

—The firm maintenance of independence and sovereignty must go along with the broadening of international cooperation, building an open-door economy both at home and abroad, multilateral and diverse relations with other countries, combining economic activities with national defense and security, and linking economic growth with social progress and social justice, and with cultural development and environmental protection.

—Persisting on the strategy of directing vigorous efforts at exports while replacing imports that can be produced locally.

—Developing the comparative advantages of the entire country as well as each area, sector, and domain in a given period.

—Constantly improving competitiveness in local, regional, and international markets.

—Taking socioeconomic results as a fundamental standard for determining the course of development and for selecting investment and technological projects.

—Rapidly exploiting the strengths of the entire country, of each region, and sector; appropriately gathering resources for various fields of activity and key areas to promptly produce high results while paying attention to meeting essential requirements; working out practical policies, systems, and measures for localities which have difficulties; stepping up development cooperation; and ensuring that various regions and strata of people can benefit from economic growth.

—Attention must be paid to small- and medium-size projects requiring small capital investments and capital that can be recovered quickly in accordance with the motto of using short-term projects to finance long-term ones.

—Building a number of necessary, large-scale projects.

—Making intensive capital investments to exploit to the fullest our productivity and our existing technologies with an emphasis on projects that affect product competitiveness.

—Combining traditional technologies with modern technologies, ensuring the advanced nature of imported equipment and technologies, giving priority to technologies that need small capital but which directly or indirectly create more jobs.

—Until the end of this decade, great attention must be paid to agricultural industrialization and to the rural economy. We must carry out comprehensive agricultural, forestry, and fishery development in conjunction with efforts to develop processing industries for agricultural, forestry, and marine products and for consumer goods manufacturing and exports.

—Expanding trade, travel, and services in both urban and rural areas and stepping up other overseas economic activities.

—Renovating, expanding, upgrading, and selectively building infrastructure facilities in the most difficult areas where development is being hindered.

—Selectively building heavy industry establishments in important sectors where there are pressing requirements and in which we have the capital, technologies, and marketplace to achieve rapid development and high results.

—Developing scientific and technological studies and application, education and training, public health, and environmental protection to meet immediate and long-term development requirements.

While exploiting comparative advantages such as cheap labor, resources, and a convenient location, we must study and read regional and world development trends, the strategies and policies of trading partners and rivals, and attempt to discover new opportunities and comparative advantages. We must foster and develop to the fullest our most decisive resource, namely, the Vietnamese population, for long-term development and to prepare the necessary conditions for development along this course.

To carry out industrialization and modernization, we must mobilize various sources of capital in conjunction with effective efforts to manage our capital, with the domestic source of capital being regarded as crucial and the foreign source as important.

To ensure an average annual growth rate of not less than eight percent, we must promptly increase the total amount of investment to over 20 percent of the GDP within the next few years. This must be higher in the ensuing years along with efforts to improve efficiency of capital management. This requires great efforts and appropriate policies to encourage the entire society to practice thrift in production and consumption and to concentrate on investing in production, especially in material production.

Concentrated investment earmarked from the state budget is decisive for the growth of the entire economy. It is necessary to increase the sources of investment capital in targeted projects by allocating a greater part of the GDP to the state budget and by attracting all sources of aid and low interest loans from various governments and international financial and monetary organizations. We must audit, inspect, closely manage, distribute and effectively use public assets, and must guard against losses and wasteful spending.

The state's capital investment is designed mainly for building the socioeconomic infrastructure and a number of key, spearhead industrial establishments, and processing industries for agricultural, forestry, and marine products, for the manufacture of export goods, and to cater to export services. Part of this must also be reserved for financing employment projects and projects to reforest wastelands and bare hills and expand aquaculture and deep sea fishing activities.

The state will only allocate capital to socioeconomic infrastructure projects and to areas where capital is not likely to be recovered. Credit loans invested by the government must be returned by users.

We must renovate the managerial mechanism for capital construction to prevent negativism, waste, and misappropriation of state-owed capital, especially in project planning, construction price estimates, and the assessment of work performance. In this area, highly credible local and foreign companies must be used to verify the quality and price of imported equipment and materials and audit construction projects. Every project must have a concrete owner. If it is a project where capital must be recovered, it must be fully recovered by the state on schedule.

We must fully exploit the savings and investment potential of the public as well as businesses in different economic sectors. This must be done in different forms to ensure that all potentialities are mobilized and that every cent invested yields profit. We must gradually increase the proportion of this source of capital within society's total capital investment.

In order to broaden the scope and improve the efficiency of investment, we must supplement and perfect the necessary macroeconomic policies.

First of all:

—We must stabilize the macroeconomic environment, consistently implement the policy on the multisectorial economy, protect all forms of legal possession and business freedom, and introduce an internal investment law and other necessary laws and regulations to encourage and support efforts to develop investment.

—We must renew the national finance policy, satisfactorily resolve the relationship between state finance and private finance, and correctly balance the demand for increasing budget revenues with the demand for self-investment by each business sector and residential region to guarantee profits for investors and create momentum for broadening business and production.

—We must form and develop capital markets that consist mainly of investment banks, commercial banks, finance and insurance companies. We must continue to reform the banking system according to the principles of the market mechanism and international practice in order to mobilize sufficient capital, provide credit efficiently, and meet the high demand for development in the national economy. We must develop joint stock companies; gradually broaden the issuance and circulation of shares, credit notes, and bonds; and create conditions for a stock market.

—We must supplement and amend structures and policies to observe strict regulations concerning the practice of frugality in developing investment in all activities of the party, government, Army, public security force, mass organizations, business, and people.

—We must create favorable conditions to attract additional foreign capital and technology while simultaneously exploiting internal resources. We must widely apply policies to attract more foreign investment and set up regulations to define responsibilities in obtaining and repaying foreign loans, ensuring their proper use, and avoiding financial overcommitment.

We must start planning for different regions, beginning with key areas, processing zones, special economic zones, and industrial areas. We must outline investment projects and set priorities for projects that need foreign investment. We must ensure the scientific soundness of the deployment of important projects, avoiding mistakes that might cause long-term effects. And we must continue to improve the investment environment, including laws, regulations, and working and living conditions for foreign investors.

Encouragement of direct foreign investment must be part of a uniform development strategy and management structure to ensure state authority, control, and guidance over the socioeconomic development process. State management structures must be established over projects with foreign investment and those completed and in operation. Together with increasing of investment in different forms, we must increase our capital contributions toward joint ventures with foreign countries.

The science and technology sector must concentrate its research on quickly applying new findings to production and business in order to serve industrialization and modernization. It must meet the demands of new equipment in the national economy, improve existing technologies, modernize traditional technologies, and correctly adapt new ones. It must also help to manage and closely assess imported technologies and pay attention to the development of electronics, informatics, biology, and new materials. Through practical renovation, it must get close to real life, quickly discover and improve upon the public's inventions, accelerate its studies, and clarify issues relating to the strategy for industrialization and modernization.

2. We must strive to implement the policy on developing the multisectoral economy consistently and give various economic components and business establishments more headway to develop quickly and attain strong results. Efforts must be made to strengthen and improve state-run establishments to help them work effectively be active in the economy. This is very important and urgent because it will help encourage and support other economic sectors in their development while accelerating rapid and long- lasting growth. It is an apparatus with material strength that will help the state regulate and lead the market economy to develop further in accordance with the socialist orientation.

It is necessary for us to be able to distinguish the nature of state ownership from that of state-run businesses. We must realize that state assets and capital are used in various forms to ensure strong socioeconomic results and enhance the state's ability to accelerate and control economic activities. Investment in state-run businesses should include those set up with a 100-percent state capital and those with the majority of shares held by the state, so as to allow the state to control them effectively.

Efforts must be made to allocate land and forest areas to the people on a long-term basis, to give leases or provide concessions for exploiting mines, to enter into joint ventures, and to buy shares from enterprises in other sectors. We must integrate efforts to strengthen state-run businesses in various sectors, areas, and socioeconomic infrastructure projects; in the financial, banking, and insurance establishments; and in a number of key production and service units so as to help the economy develop strongly. It is necessary to encourage other economic components to participate in different forms and degrees.

In carrying out these tasks, we can reduce the number of inessential state-run businesses while consolidating, expanding, and building new and essential state-run enterprises. We must strive to strengthen and develop state-run businesses in agriculture, forestry, and fishery to cooperate with other business branches to build industrial and service centers, especially for the processing industry; scientific-technological centers; and cultural and social centers in localities throughout the country.

We must strive to strengthen and improve the state-run trade system; to control firmly the export-import business and the trading of essential materials; to regulate wholesale and retail trade; and, together with other sectors, to stabilize and develop local markets. Efforts must be made to ensure smooth transportation of goods, to serve and accelerate production development, to protect the interests of producers and consumers, and to make fundamental changes in organization and management of state-run businesses to ensure autonomous operation of businesses in the market economy while ensuring effective state control.

Fundamental factors leading to ineffective operations, negative practices, and waste at many state-run business establishments are caused by our not having certain people who act as direct owners of state assets and who take responsibility for and protect the interests of state properties. We have no attractive and firm motives to encourage personnel at state-run enterprises to devote their energies to the development of their establishments. We still lack the material and organizational strength to define decisively various methods to curb corruption and acts that inflict losses on public properties. We must find ways to overcome these shortcomings.

To attract more capital, create a driving force to curb negativism, and accelerate the profitability of state-run businesses, we must introduce various forms of shareholding enterprises in line with our production and business system and with the majority of shares held by the state. Step by step, we must apply the method of selling shares to enterprise personnel. Efforts must be made to distribute profits to personnel based on their base salary and their number of shares. We should conduct a pilot project to sell a number of shares in state-run businesses to private organizations and individuals.

On introducing a shareholding enterprise system, we will stipulate the organization of management boards comprising representatives of state shareholders, worker shareholders, and other shareholders. Regulations and selection criteria to help management boards select managing directors should be set up. Various forms of work contracts with workers should be applied in a widespread manner and be perfected continuously within state enterprises. The state will support and encourage—in accordance with the development needs of the economy—implementation and renovation of enterprise unions and general corporations into the organization of business conglomerates, thus avoiding intermediary authorities. The system of managing ministries, managing authorities, and distinctions between centrally- and locally-managed enterprises will be gradually discarded.

State authorities at all levels and sectors should take care of and assist state enterprises in their businesses, especially in matters relating to capital, technology, marketing, and cadre training and deployment. For enterprises that serve the public's socioeconomic benefit but suffer low incomes or losses, the state will have a reasonable relief policy that discourages reliability. The state will have clear regulations on the state's inspection authority and stop as hoc inspection and control work, which is inconvenient to businesses. For state enterprises that do business in inessential areas, suffer extended losses, and lack the capacity to overcome these losses, the resolute measures pointed out at the second plenum of the seventh Central Committee should be applied.

We will continue to renovate the economic establishment of cooperatives and develop the independent role of cooperative members. The state supports, assists, and guides the development of all cooperative economic establishments in various economic sectors on a voluntary and mutually beneficial basis. Management of cooperatives should be democratic and should encourage combining the strength of the cooperative with the strength of each household member.

The renovation of cooperatives and other cooperative economic establishments should be carried out in all sectors of agriculture, forestry, and fishery in accordance with the resolutions of the seventh Central Committee's fifth plenum. Strict measures will be applied in handling the sluggish cooperatives. Experimental renovation should continue in all forms of cooperative economic establishments in handicrafts, financial credit, trading, and services. Cooperatives can function on a larger scale, can perform various types of business, and are not restricted within any administrative boundaries. Besides the capital contributed by members and the assets of the cooperatives, capital and labor from outsiders should be motivated. Members of cooperatives receive incomes that are subject to contributed labor and shares. Cooperatives can exercise any of the various levels of collectivity of production supplies in accordance with the business necessity, aspirations, and benefit of the members.

The individual and small business economic sector—which comprises mostly family business establishments—is speedily growing and possesses tremendous potential to become an important element of the economy. We must have a policy to help this sector in terms of capital, technology, market information, and so forth in order to help their businesses become effective, thus creating more employment and more opportunities for individuals to contribute to national construction. We must also guide and encourage individual business establishments to join cooperative economic establishments gradually and on a voluntary basis.

The private capital economic sector, both overseas and domestic, is growing fast and making positive contributions to national construction. The state continues to encourage private capital economic activities in those sectors and areas allowed by law. The state also protects the legal rights and benefits of private businessmen, joins development and investment funds with these businessmen on a consensus basis, and encourages them to sell prioritized shares to their workers. The state helps and guides them to overcome difficulties and do business according to state laws and regulations. Concrete regulations will be promulgated to stipulate the state's management role toward business establishments with capital invested directly by outsiders.

In combination with the state's inspection and control functions, we need to develop grassroots organizations in the party, trade unions, and politico-social mass organizations within the private business enterprises and joint business enterprises, either domestically or with overseas partners. These grassroots organizations will contribute to productivity, protect the legal benefits of workers, and prevent illegal deeds. We should create conditions and a legal environment for lawful competition activities and for developing collective businesses on a voluntary and mutually beneficial basis, regardless of the disparity between these businesses in a sector or locality.

Using the major state enterprises as the bases, we will form business corporations with a significant ability to compete in the domestic as well as the international market.

3. We must build a uniform market mechanism under state management and in accordance with socialist orientations.

Continued efforts must be made to build a new economic structure, bearing in mind the need to persist in the transition to the market mechanism while at the same time increasing the efficiency of state management. Steps must be taken to perfect apparatuses and policies to create the necessary conditions for the market mechanism to operate effectively. It is necessary to guarantee the right of autonomy of businessmen. Prices should be set mainly by the market. Market indicators are very important factors for allocating resources to production and business establishments. It is important to adopt incentive measures to encourage everyone to compete in a legitimate and wholesome manner. Steps must be taken to limit monopoly. Business people have the right to earn profits in a legitimate way. The state only sets the prices of a small number of goods and services bearing a particularly important socioeconomic significance or having a highly exclusive nature. In any case, prices must all be set within the limits of the market mechanism. It is necessary to stabilize transportation costs and the prices of electricity, water, fuel, and oil. Steps must be taken to eliminate the system of providing subsidies for losses. It is important to regulate income distribution in a rational way and create conditions for expanding production facilities and for reducing waste of resources. It is necessary to abide by the principle of positive [laix duwowng] interests, closely monitor the rate of inflation, and create favorable conditions for both savings and loans. It is important to regulate currency exchange rates in a satisfactory manner, bearing in mind the need to see to it that the actual rates remain relatively stable but not rigid and henceforth, help promote exports and control imports. Plans must be worked out to determine fees and wages in a rational manner. It is necessary to formulate a selective subsidy policy for agricultural and export products. Appropriate measures must be taken to protect local products and the interests of both producers and consumers. Uniform steps must be taken to form various types of markets, products, services, labor resources, capital, technology, real estate, and so forth.

It is necessary to step up state macromanagement to direct and guide the overall performance of the national economy. Efforts must be made to create an economic environment and legal boundaries for production and business activities. Measures must be taken to develop positive factors, prevent or contain the adverse impact of spontaneous or negative actions, and overcome the inherent shortcomings of the market mechanism. Henceforth, these will cause the latter to become a really important instrument for distributing and making better use of all sources of strength as well as for distributing or redistributing the national income to guarantee equilibrium between revenue and spending, regulating the interests of the various economic sectors and people of all walks of life, meeting the growing demands of development, and ensuring social justice.

The state macromanagement system must cover all areas of the national economy and economic sectors instead of the state business sector only. It is necessary to strengthen the concentration and uniformity of government agencies when it comes to exercising macroeconomic management. At the same, it is necessary to increase the responsibilities and power of sectors and localities in case they can work out better solutions to the various problems involved.

It is necessary to guarantee the right to autonomy of business establishments. Special ministerial agencies should devote efforts to carry out their functions as development project planners for economic and technological sectors under their charge satisfactorily. They should also provide direction, assistance, and supervision for operations of business establishments belonging to different economic sectors and in different areas of activity as specified under their state management functions. It is important to strengthen the role of interministerial agencies in overseeing the overall performance of all sectors and areas of operations, thus putting all socioeconomic activities under the state's effective macromanagement system.

Administrative organs at all levels should perform their state management functions in areas under their charge by overseeing the operations of business establishments belonging to different economic sectors, bearing in mind the need not to distinguish between central and local economic organizations.

Steps must be taken to perfect the legal system to ensure strict observance of rules and regulations. Efforts must be made to consolidate and strengthen the advisory role of planning agencies so the latter can formulate good plans and projects to serve development goals, calculate and maintain a balanced macromanagement system, adjust investment structures, effect economic restructuring, and serve as a venue for coordinating efforts to tap all sources of strength at home and abroad and make effective use of them to realize socioeconomic development goals.

We must continue to reform the financial and monetary system fundamentally and comprehensively, while satisfactorily promoting economic activities to increase investment and development. We must strive to ensure uniform management of the national financial system, savings, and expenditure; and improve the financial work of the state, enterprises, and population. Efforts should be made to improve budget management at the central and local levels to ensure sufficient allotments for normal expenditure, investment development, and national defense. We must mobilize capital at home and abroad, strive to meet immediate requirements, practice thrift, and promote investment development for long-term interest.

We must encourage state-run enterprises to carry out autonomous financial management under the close supervision and control of the state.

We must strive to keep the budget deficit at less than 5 percent of GDP, make great efforts to increase state revenue to pay for expenditures, refrain from issuing banknotes to resolve the budget deficit, and strive to balance income and expenditures. Efforts must be made to reform the accounting system and improve auditing in the state and private sectors.

The central state bank must formulate and implement the monetary policy to ensure the effective allotment, transfer, and remittance of money; curb inflation; coordinate with financial, trade, and price agencies to maintain an average annual price increase in the single digits only; and strive to balance international debt while increasing foreign currency reserves. The financial and banking sectors must satisfactorily carry out their functions of establishing funds, effectively use and provide credits, and strive to meet the requirements of economic development. This is to maintain their role as a center for the settlement and circulation of money within society. They must strive to improve the foreign currency management mechanism to create conditions for the Vietnamese dong to be effectively circulated and become the sole currency for the settlement of debt nationwide.

4. Measures to resolve cultural and social issues.

Our party and state's guiding thought in carrying out cultural and social work is to care for, foster, and develop the human factor to create a driving force for revolutionary objectives. Efforts must be made to resolve various current issues and ensure social justice, enhance the people's intellect, promote a healthy atmosphere in society, and protect and develop our national cultural traits. In order to create sufficient jobs for workers in an effective way, the state and people must save money for investment development while satisfactorily implementing the socioeconomic strategy. They must encourage all economic components, citizens, and investors at home and abroad to expand branches and occupations to create more jobs for the laborers and reduce the number of unemployed workers, expand foreign trade, and promote the export of laborers. Efforts must be made to organize vocational training for youths to enhance their professional skills. For personnel and workers laid off by administrative agencies and economic units, we must reorganize them and provide vocational training as well as loans to help them become involved in production and business or find other jobs, while striving to set up consultative agencies to introduce new jobs.

We must formulate laws to protect the legitimate interests of both employees and employers at private capitalist business establishments. The laws on labor, wages, insurance, and taxes have been and will be promulgated in accordance with investment promotion, the elimination of social injustice, and opposition to illegal businesses. The statutes, regulations, and discipline for workers formulated by business establishments must not violate state laws.

It is necessary to say that the economic growth rate should be parallel to social progress and justice at each stage of development. Social justice should cover areas such as the distribution of the means of production, income in accordance with results in production, and equal opportunity for each member of the production force to develop his ability. We must implement the principle of distributing more income to those who work and contribute more and vice versa, while striving to oppose mediocrity and dependence on others. We must ensure that income is distributed in accordance with labor. We must encourage and treat competent and capable workers appropriately, and ensure a fair income for investment projects, especially in production and business. We should encourage the people to amass wealth through honest means, while fighting poverty and hunger; motivate the rich to participate in economic development; formulate rational policies to promote credit, taxation, and vocational training in order to create conditions for the poor to be able to progress and earn enough to become rich. Various former wealthy areas should, together with the state, assist poor and underdeveloped areas. We must mobilize rich people to contribute to helping the poor by providing loans, equipment, and materials and transferring experience and work methods. We should set up funds to repay those who have rendered meritorious service to the state; formulate appropriate policies for the rich; and mobilize business enterprises and private organizations to participate in humanitarian and charitable activities to help the victims of war and natural calamities, as well as the disabled, the elderly, and the homeless who can no longer work.

The responsibility of each citizen in solving individual and family problems should be heightened. At the same time, the common sharing of responsibilities in society in general should be intensified to develop our people's humanitarian tradition.

The goals and measures set forth in the resolution of the seventh party Central Committee's fourth plenum regarding education and training, culture, the arts, public health care, and population and family planning work must be continued, so that in a few years significant achievements can be recorded in our education service, thereby helping the education service fulfill its role in upgrading the people's mental abilities, creating the people's labor force, and improving the people's skills.

First, compulsory elementary education must be implemented. If possible, universal secondary education should be introduced in some localities. Policies to exempt and reduce school fees and provide suitable financial assistance must be applied to guarantee the education of children from poor families, especially those living in isolated, high altitude, and former revolutionary base areas.

Existing ethnic boarding schools must be consolidated and additional ones must be built. We must reorganize the vocational training system, upgrade the service provided by teachers' colleges, and rearrange the tertiary education system by linking academic training with vocational skills, study with practice, and training and research with production.

National university centers must be built with improved goals, curricula, and education methods to meet national development requirements. Planning for fostering and retraining the contingent of teachers must be established, policies to grant appropriate rewards to teachers must be introduced, and state management of the education and training service must be strengthened.

Steps must be taken to build a modern culture, but one that is imbued with national traits. Educational activities must be organized to make everyone aware of the need to adopt a morally correct lifestyle and culturally appropriate behavior. Efforts to develop national culture must be linked with endeavors to promote cultural exchanges with foreign countries, bearing in mind the need to preserve and develop national traits while simultaneously learning from the cultural quintessence of other countries. Resolute measures must be taken against all acts of violence and miscellaneous cultural practices that are immoral or culturally unfit and contrary to human nature. Along with inheriting and carrying on the traditions of human compassion, mutual love and assistance, and other fine customs, efforts must be made to eliminate outdated practices, superstitions, and other social vices.

Steps must be taken to improve the quality of and guarantee democracy and freedom for cultural and artistic activities. At the same time, it is necessary to uphold the sense of responsibility of writers and artists toward the nation and people. Plans must be worked out to cultivate talent and encourage writers and artists to produce wholesome works with a high ideological and artistic value. Efforts must be made to turn out fine works to serve the goals of national renovation. It is necessary to take positive factors into account while simultaneously adopting resolute measures to deal with negative phenomena, erratic tendencies, and hostile arguments or maneuvers. It is important to promote nonprofessional cultural activities and accelerate the mass movement for cultural activities at the grassroots level. Steps must be taken to strengthen the mass media to disseminate lines, policies, and laws in a timely manner so as to make everyone understand cultural, literary, and artistic values and appreciate things that are genuine, good, and beautiful. Plans must be worked out to contain the venom of bad cultural practices and reactionary or decadent printed materials.

It is important to strengthen the party's leadership; revamp the state management mechanism and enhance the efficiency of its control over cultural and artistic activities; and supplement necessary policies and laws and see that they are strictly enforced.

Due efforts must be made to look after the people's health, bearing in mind the need to give first priority to primary health care and take positive measures to fight disease. Plans must be worked out to restore, consolidate, and expand grassroots medical facilities in populated areas as well as set up mobile medical teams in those localities where dispensaries are nonexistent. Steps must be taken to upgrade hospitals and provide them with better equipment. Plans must be worked out to build a number of major medical centers and special medical facilities. Adequate measures are needed to implement the medical insurance program and apply the policy on hospital fee exemptions or reductions to social welfare recipients and needy people. It is necessary to stop malnutrition, malaria, goiter, and leprosy in children. It is imperative to try every possible means to contain drug addiction, prostitution, and AIDS. Effective measures must be adopted to ensure that within the next few years we will be able to reduce the country's average population growth rate to less than 2 percent, with first priority being given to localities with high population growth rates.

Efforts must be made to develop a large-scale movement for physical education and sports activities among people nationwide, especially among youths and students, and take steps to form special physical education and sports organizations and encourage athletes to break their own records.

The struggle against corruption constitutes a burning and pressing current task. Resolute and full measures must be taken to launch an anticorruption campaign in the entire working apparatus, at all echelons, and in all sectors from the central down to the grassroots organizations. The following key measures must be applied uniformly:

—It is necessary to review, amend, or supplement mechanisms, policies, laws, and procedures governing the activities of state agencies and government employees. It is important to try every means to overcome loopholes in the management system and clearly define the responsibilities of those in charge of state property protection, utilization, and development. This will help to discover and deal with corruption cases quickly.

Efforts must be made to renovate and consolidate financial management and bookkeeping. It is necessary to make full use of consultancy, assessment, and auditing services.

It is important to streamline the mechanism, cut unnecessary expenditures, and guarantee sufficient salaries for wage earners.

—Consolidate education and training for cadres and party members to heighten their revolutionary morality. Leaders of sectors, localities, and agencies have to bear the responsibility for corruption within their respective areas. The responsibility of leaders in grassroots party organizations should be enhanced, and party members and the masses should be actively motivated to fight corruption.

—Strictly carry out inspection, investigation, and supervision by agencies in charge and by mass organizations, so that corruption can be detected early. Defendants in corruption cases, especially in serious ones, should be handled in a timely and strict manner in accordance with state laws, regardless of the defendant's position or rank.

In the fight against social ills, coordination between the suppression and prevention of crimes must be heightened. The focus should always be on prevention, and a national program on crime prevention should be set up with an adequate budget. Sanctions and punishment stipulated by state laws should be strictly followed in association with an active education program, including both occupational training and production labor, coupled with improvement of detention and re-education facilities, in order to rebuild the defendants and give them opportunities to rebuild an honest life. We should prevent and punish all forms of mistreatment of prison inmates.

5. National defense and security.

While carrying out national construction, we must never neglect the important task of safeguarding our fatherland, independence, sovereignty, territorial integrity, national security, socio-political stability, and our determination to protect socialism.

We need to thoroughly understand and properly carry out our national defense and security duties and stick firmly to the guiding viewpoint set up by the party Central Committee's third plenum. We have to motivate a comprehensive and universal movement to defeat all "peaceful evolution" schemes and activities and subversive violence.

In the next few years, we have to carry out following successfully:

—Heighten revolutionary vigilance, intensify political and national defense movements, and cohesively combine the people's security task with the national defense task.

—Build steadfast defense areas and the people's security; and intensify defense forces in major areas in order to safeguard firmly territorial integrity, sovereignty, and national security.

—Safeguard firmly internal security, the party, and the state; and quickly detect and suppress all sabotage activities.

—Strengthen state management in social order and suppression of crimes; build up a people's movement to safeguard national security, social safety, and order.

—Build the people's army and the people's security forces politically, ideologically, and organizationally. Maintain all technical equipment well and make an effort to attain the gradual modernization of major equipment. Increase investment in national defense industries. Improve the cultural and physical life of the troops to ensure a strong people's armed force that can fulfill its tasks effectively.

—Strengthen the party's leadership role and the state's management role in national defense and security; bring into reality all state lines and policies regarding national defense and security; and quickly organize, consolidate, or improve the quality of agencies and cadres in charge of helping other sectors and echelons carry out national defense and security tasks. The Ministries of National Defense and the Interior should perform their management role in national defense and security well in accordance with their assigned authority and responsibilities.

—Perfect legal documents regarding national defense (laws on national defense and security, borders, and the sea; the supplementary law on military service; and other laws and regulations), and ensure the effective implementation of these laws.

6. Continuing to broaden external relations.

To expand our foreign affairs achievements even further, we must continue our policy of independence, self-determination, open doors, diversification, and multilateralization. We must strive to increase unanimity; limit disagreement; create favorable conditions for our national construction and protection; and contribute to the common struggle of the world population for peace, national independence, democracy, and social progress.

We must broaden our friendship and cooperation with all nations on the principle of equality; mutual benefit; peaceful coexistence; respect for one another's independence, sovereignty, and national integrity; and settlement of disagreements through negotiations to ensure stability, security, and development.

We must increase relations with international organizations and positively partake in world activities to protect the environment, fight dangerous diseases, eliminate poverty and starvation...

The external activities of the party and people must be broadened to win the wide support of world organizations and people for our national construction and protection undertaking.

We must clearly realize our difficulties and challenges as well as advantages and opportunities, and closely follow complicated changes in the world in order to apply suitable policies. These must be in conformity with our principles but also be flexible and active. We must strengthen party leadership and state management and sufficiently coordinate with all sectors in our external relations. We must pay attention to providing education and training for more cadres with good qualification and abilities.

7. Building a Vietnamese Government of, by, and for the people.

We must build and gradually perfect a Vietnamese Government that is governed by law; that is, a government of, by, and for the people. It should govern all aspects of social life according to law and lead the country toward development under the socialist direction. A law-governed Vietnamese Government should be built on the foundations of strengthening and broadening the people's unity and based on the worker-peasant-intellectual alliance under the party's leadership.

Implementing a socialist democracy and expanding the people's right to mastery are the first duties and the fine nature of our government. We must follow President Ho Chi Minh's instruction: "Government organs from the central level down to the villages should serve the people. That means carrying out the people's common work, not oppressing the people." The government must be closely linked with the people, must respect and listen to their opinions, and must be under their supervision. It must resolutely fight against bureaucratism, authoritarianism, corruption, waste, and special privileges and benefits.

We must protect the people's rights and the basic rights of citizens as stipulated in the Constitution, such as the right to possessions, the right to use production equipment, the right to legal trading, the right to freedom of discussion and expression of opinions for national construction, and the right to freedom of religion and non-religion.

We must promptly examine and settle complaints and accusations lodged by the public. We must create opportunities for the people to contribute to the national work and offer opinions regarding construction of the party's lines and policies and the state's important bills. We must improve elections, and through elections, we must elect able people with good morals as people's deputies as well as place them in state mechanisms.

We must restore social order and discipline, oppose any manifestations of extreme democracy, and implement dictatorship over elements who carry out activities against the fatherland and the people's interests.

We must accelerate and heighten the quality of law-building work to build a uniform legal system and institutionalize the party's renovation line in all aspects of social life. Education on the law must be strengthened to improve legal knowledge, law-abiding consciousness, and the people's respect for the Constitution and law in their work and social lives. We must ensure that the law is carried out in a correct, uniform, and just manner.

We must continue to improve and reform the state mechanism and ensure the unity of power. We must clearly define and expand the power of the administration, legislature, and judiciary. And we must work according to the principle of democratic centralism.

The National Assembly's work quality must be heightened so that it can perform its legislation and supervision functions better. The number of National Assembly deputies working in specialized areas must be increased.

We must reform and strengthen the administrative system's organization, personnel, and working structure. The administration's management role must be developed. The role and responsibilities of local authorities must be defined on the basis of the law and the guidance of the central government.

We must continue to strengthen and reform the judicial system. The power of different judicial organs must be correctly defined. We must gradually establish new judicial organs to meet new demands arising from socioeconomic development and ensure fair trials for all law violations.

We must set up civil service regulations and public work responsibilities and retrain government cadres and officials to ensure uniformity in the administration.

8. Renovating and reorganizing the party and strengthening the relationship between it and the people.

We must continue to understand concepts thoroughly and implement the lines and measures set forth by the party third plenum. We must concentrate on political and ideological work to ensure political and ideological unity in the entire party. Cadres and party members must be given regular training on the party's concepts and lines to upgrade their knowledge; confirm their commitment in the socialist path; and help them creatively apply and develop Maxism-Lenininsm, Ho Chi Minh Thought, and the advanced ideas of our times and grasp the new thinking to resolve problems that arise from real situations correctly.

Ideological work must first concentrate on pressing problems that need to be dealt with quickly. Through practical research and review, problems arising from the renovation process must be scientifically clarified together with measures to solve them. Mistaken concepts and vague and unsure ideologies must be corrected. We must fight all opportunistic, rightist, dogmatic, and conservative manifestations.

Party cadres and members must strictly observe party resolutions and directives and state laws. They must not disseminate concepts that contradict the party's line.

Party unity and unification must be strengthened. Principles related to party organization and activity— foremost, the principle of democratic centralism and the principle of collective leadership and individual responsibility—must be implemented.

Revolutionary morality and healthy lifestyles must be maintained to fight waste, corruption, and illegal businesses. We must fight personalism, lack of discipline, arbitrariness, authoritarianism, parochialism, and clannishness.

Party protection work and the work to ensure internal and national secrecy must be given particular attention. All conspiracies and tricks to degenerate party cadres must be eliminated. Control over the implementation of the party's lines, policies, and regulations must be strengthened.

The national unity block must be broadened, and the close relationship between the party and the public must be consolidated. Uncle Ho's thoughts must be promulgated to broadly unite the Vietnamese people in supporting the renovation cause for national independence and striving to extricate ourselves from poverty and backwardness in order to surge forward toward the goal of a rich population, a strong nation, and a just and civilized society.

We must consider the national interests as our common goal. At the same time, we accept different viewpoints as long as they do not run counter to the national interests. We should eliminate obsessions and hatreds and look forward to the future. The ideology of unity must be manifested in all state guidance, policies, and laws.

We must perfect policies to guarantee the interests and roles of the workers, peasants, and intelligencia. Women and youth must be fostered and developed. The party and state policies regarding ethnic and religious people, industrialists, businessmen, and the overseas Vietnamese community must be supplemented and satisfactorily implemented.

Party echelons and committees must hold study workshops before implementing party Central Committee and Political Bureau resolutions on work relating to fatherland fronts and mass organizations. We have to set up mechanisms to coordinate the activities of state organs and mass organizations. The work content, method, and attitude of the fatherland fronts and mass organizations must be revamped.

We have to reform cadre-related work. First, we must renew the concepts and methods of our cadre-related work in assessing, selecting, employing, and deploying; especially key cadres. Gifted people must be trained, fostered, and employed. We have to create favorable conditions for good people—both inside and outside of the party and inside and outside of the country—to contribute their best efforts for the nation.

The contingent of cadres must be rejuvenated. Woman and ethnic cadres must be given special attention. We must fight narrow-mindedness, parochialism, prejudice, and discrimination. The evaluation, choice, and assignment of leading cadres at all levels must follow fundamental standards outlined in the third Central Committee plenum resolution. We must pay particular attention to their political knowledge, determination regarding the party's goals and ideals, and morality and lifestyle to ensure that they always exercise diligence, practice frugality, instill honesty, and uphold righteousness. They must not be corrupt; they must be determined to fight corruption. They must be aware of organization and discipline, stay close to the masses, and obtain a capacity and quality on par with their duties.

We will bring about the democratization of party member work. Evaluation of cadres must be done collectively by the party committee directly managing the cadres, together with relevant agencies. It must be done in accordance with the proper process in a democratic, conscientious, and fair manner. Every cadre has the right to be informed and to give opinions on their evaluation by the party committee and agency leaders.

All party organizations will reorganize and reevaluate the existing contingent of cadres. Based on this evaluation, they will make plans for party member work from now until the year 2000. This will correspond to the requirements for the quantity, quality, and structure of cadres.

We will provide training to cadres according to plan. The training content must be specific for each task and requirement of each position concerned. Renovation must be carried out in both teaching and studying methods, while adequate funds must be provided for the training. Party members—especially cadres at all levels—must regularly study, enrich their knowledge, heighten their level of understanding, and improve their revolutionary characteristics.

We must urgently prepare the human force for the eighth party congress and subsequent years. We have to improve the policies and awards for cadres, renovate our thinking, heighten the scientific characteristic of the organization task, and continue to overhaul the organization system to guarantee a light and effective party mechanism with high efficiency.

We have to boost research on organizational models and discern the party's function, duty, and leadership style in every sector and echelon. From there, we must set up plans to perfect the organization and rationalize the mechanisms of the party, state, and other organizations.

We will renovate the party's leadership model. Our party is a ruling party that sets policies and lines for national construction and protection. The successful implementation of party policies and lines requires us to grasp firmly the organization and cadre work. The party takes the lead in applying the principle of democratic centralism and the principle of collective leadership with individual responsibility. The leadership task is fulfilled through the party organization, not through individual party cadres. The leader executes collective decisions, follows up on and guides the implementation, encourages good deeds, and corrects deviations to develop the role and efficacy of the state, not replace it.

We must heighten the militancy of party members regarding the consolidation of grassroots party organizations. Political determination and loyalty to the party's ideals, the working people's interests, and the interests of the people as a whole are essential characteristics for a party member. Party regulations clearly stipulate the criteria and duties of a party member. Every member must abide by these regulations and serve as a model in striving to become an excellent worker, cadre, or manager who fulfills all assigned tasks, studies regularly to improve their knowledge and work ability, respects organizational discipline, fosters party unity, and strictly obeys state laws.

We have to handle degenerate and deviant party members in a timely and strict manner, as well as those who breach party discipline and state laws. We will continue to expel from our party those who are no longer eligible for membership. We must perform the party development task well, especially among youth and women and in organizations where grassroots party organizations do not exist or have few members.

We will rejuvenate the party contingent. On the occasions of the party's 65th anniversary and other important festivities in 1994, we will launch education and training campaigns regarding party development—with particular attention focused on youth—in preparation for the eighth party congress.

A new era is before us, full of promising potential, challenges that we are determined to overcome, and favorable opportunities we must exploit. Our entire party, Army, and people must stick together, remain unified in the struggle to implement the seventh party congress resolution successfully, and bring the renovation undertaking forward with ever greater victories.

Australia

Canberra Not To Take Sides in U.S. 'Trade War'

BK1502064494 Melbourne Radio Australia in English 0500 GMT 15 Feb 94

[Text] Prime Minister Paul Keating says Canberra will refuse to take sides in any trade war between Japan and the United States. Mr. Keating repeated that Australia would not enter any bilateral arrangements that were detrimental to Japan, but said this was different to taking sides. He said the tension between Tokyo and Washington reflected fundamental underlying differences.

[Begin Keating recording] The U.S. and Japan will work that out. We shall create a new institution to work it out within, and that is APEC [Asia-Pacific Economic Cooperation]. APEC gives the United States and Japan a chance within an umbrella organization to look at their policy and trade differences, but they will always do it bilaterally as well as in any other framework.

There is a lot of serious thought about this relationship, and it is in terms of their current account—that has had a problem for years—and this tension underlines the savings imbalance between the two countries. Now, it is going to take time to work this out, but it is working itself out in the sense now that the United States is enjoying very rapid growth of exports into North and South Asia. So the dependency of Japan upon the U.S. as a market is diminishing and, like most problems, they tend naturally to work themselves out. [end recording]

Editorial on Reduction in U.S. Airline Flights

BK1402135994 Sydney THE AUSTRALIAN in English 3 Feb 94 p 8

[Excerpts] The suspension of most flights to Australia by the American carrier, Northwest Airlines, will mildly embarrass both the airline and the Clinton administration which supported it in last year's aviation dispute with Qantas and our Government. American threats worked in that dispute. Now Northwest's need to trim costs has achieved what Australian diplomacy (and litigation) could not. Yesterday the airline was forced to announce the end of two of the three Detroit-Osaka-Sydney services Washington was so determined to protect.

But it would be unwise to declare a belated victory for Australia. Rather, Northwest's departure may only make more room for the larger American carrier, United Airlines. Of the four US airlines active in Australia at the beginning of 1992, two have now withdrawn altogether, and Northwest will be reduced to one weekly service from April. United, by contrast, is expanding its Australian flights. [passage omitted]

Northwest entered the market after signing agreements by which at least half the seating capacity would be taken by passengers originating in the US. The deal was supposed to minimise Northwest's impact on Japanese and Australian airlines servicing the Japan-Australia route. But Northwest flagrantly ignored the "50 per cent" rule. Last year Australia, with Japan's support, threatened to reduce Northwest's service unless the agreement was honoured. However, Washington retaliated with threats to cancel several direct-flight Qantas services to the US, Canberra capitulated, and Northwest continued to pick up most of its Australia-bound passengers in Japan.

Even so, Northwest was unable to turn a sufficient profit. But American eyes are still fixed on the profit potential of Asia, the world's fastest-growing aviation market. US interests conflict with those of countries in the region, including Australia, whose own carriers hope to dominate the market. So far, however, Australia has not come up with an effective answer to America's bullying but successful tactics.

Minister Announces Recognition of Macedonia

BK1502024094 Melbourne Radio Australia in English 0100 GMT 15 Feb 94

[Text] Australia has decided to recognize as an independent state the former Yugoslav Republic of Macedonia. Announcing the diplomatic step, Australia's foreign minister, Gareth Evans, said Canberra made no presumption about the so-called name dispute between Greece and the republic.

He said Australia would follow the United Nations in referring the country as the former Yugoslav Republic of Macedonia. Senator Evans said Australia believed the new state should refrain from using the name Republic of Macedonia until the name issue was resolved with Greece.

Keating Won't Back Hong Kong Democratization

BK1502113294 Hong Kong AFP in English 0926 GMT 15 Feb 94

[By Jack Taylor]

[Excerpts] SYDNEY, Feb 15 (AFP)—Hong Kong Governor Chris Patten left a meeting with Prime Minister Paul Keating on Tuesday without winning Australia's public endorsement of Britain's drive for greater democracy in the colony. But Patten said that since he didn't come to Australia seeking Keating's support, he was not disappointed he did not receive it and was delighted with what he described as "an extremely satisfactory meeting."

Talks lasting 75 minutes at the prime minister's official residence in Sydney ranged over bilateral trade links, regional issues such as the Asia Pacific Economic Cooperation (APEC) group and Hong Kong's future after the British colony reverts to Chinese sovereignty in

1997. Patten, who is on a six-day official visit at Keating's invitation, told reporters his visit was aimed primarily at persuading even more Australian businesses to use Hong Kong as a springboard to China. [passage omitted]

Keating has never denied reports that he told Chinese Premier Li Peng in Beijing last June that Australia did not support Patten's push for greater democracy in Hong Kong. "Australia is not particularly impressed with Patten's modus operandi or his taking an interest in Hong Kong's political situation so late in the peace," Keating reportedly said.

However, Foreign Minister Gareth Evans subsequently told parliament that Australia had consistently expressed to both China and Britain its "support for democratic reform" consistent with the terms of the 1984 Sino-British declaration paving the way for Hong Kong's handback in 1997. [passage omitted]

An Australian government official said later that the meeting had focused on the importance of economic links, but he did not know if Keating had privately endorsed Britain's position.

"The Prime Minister underlined the importance to Australia of Hong Kong's continuing prosperity and stability in the transition to Chinese sovereignty in 1997," the official said.

Papua New Guinea

Wingti: Situation on Bougainville Normalizing

BK1502064894 Melbourne Radio Australia in English 0500 GMT 15 Feb 94

[Text] Papua New Guinea's [PNG] prime minister, Paias Wingti, on a visit to New Zealand has said the situation on the troubled island of Bougainville was returning to normal. Speaking on the first day of his visit after talks with New Zealand's prime minister, Jim Bolger, in Wellington, Mr. Wingti said that reports of a PNG blockade were not correct. He said there was no blockade, the problem is of getting services and reconstruction programs moving on Bougainville.

The Bougainville Revolutionary Army [BRA] has been fighting a five-year campaign for independence. Mr. Wingti said the number of rebels on Bougainville had diminished, and the people there and in the rest of PNG were now getting to the situation where they wanted normal lives to be restored.

He said PNG was one nation and to give independence to Bougainville would divide that nation, so it was not an issue.

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